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ABSTRACT

This transcript contains the testimony of witnesses who testified or submitted written materials for hearings of the U.S. Senate Committee on Labor and Human Resources on the following topics: (1) labor market shortages in the information technology jobs from a national perspective and from the perspective of the Washington, DC area; (2) the education crisis that exists in the District of Columbia public schools and the problems of infrastructure as well as educational problems revealed by test scores; and (3) innovative programs and solutions and ways to finance these plans in the Washington, DC region. Witnesses, who included corporation executives, school officials, public agency spokespersons, Senators, and staff of nonprofit programs, stressed the need to improve education in the United States, and especially in Washington, DC, so that students are prepared for the thousands of technology-related jobs that are now unfilled or are being exported overseas. They examined the problems of the Washington, DC schools and suggested improvements. Witnesses also discussed programs that are working and need to be replicated in other schools. (KC)

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EDUCATION AND WORKFORCE DEVELOPMENT IN THE WASHINGTON, DC AREA

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HEARING

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

ONE HUNDRED FIFTH CONGRESS

FIRST SESSION

ON

EXAMINING REGIONAL ECONOMIC DEVELOPMENT IN THE WASHINGTON, DC AREA AND THE IMPORTANCE OF EDUCATION AND TRAINING IN THAT PROCESS. IT ALSO EXAMINES CURRENT OBSTACLES TO ECONOMIC GROWTH, SUCH AS POOR STUDENT ACHIEVEMENT AND CRUMBLING SCHOOL BUILDINGS, AS WELL AS REGIONAL SOLUCTIONS TO THESE PROBLEMS.

Jan 13, 14, and 15, 1998

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EDUCATION AND WORKFORCE DEVELOPMENT IN THE WASHINGTON, DC AREA

TUESDAY, JANUARY 13, 1998

U.S. SENATE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:01 a.m., in room SD–430, Dirksen Senate Office Building, Senator James M. Jeffords (chairman of the committee) presiding.

Present: Senators Jeffords, DeWine and Warner.

Also Present: Delegate Eleanor Holmes Norton.

OPENING STATEMENT OF SENATOR JEFFORDS

The CHAIRMAN. This hearing of the Committee on Labor and Human Resources will come to order.

Let me give a couple of preliminary comments. I hope and expect to be joined by perhaps a couple of Members of the House and maybe a Senator or two. I am pleased to have with me Eleanor Holmes Norton, the Delegate from the District of Columbia.

I will be the only one with an opening statement, which is our present Committee Rules——

Senator WARNER. Excuse me, Mr. Chairman.

The CHAIRMAN. Oh—I am so pleased to have Senator Warner here, and of course I make exceptions to the general rules all the time and certainly will on behalf of Senator Warner. I am pleased that he could be here, and hopefully, others will show up as we go on.

The procedure then will be to listen to the witnesses, and I would ask you to try to keep your statements to around 5 minutes if you can. I am not going to blow the whistle on anybody because we are in no great urgency today.

I then will open it up for questions from those who show up, and we will time those at 5 minutes and go as long as is appropriate, and then we will move on to the second panel.

First, I have my own opening statement. What we will be examining in the three hearings this week is a national educational problem from the regional and local perspective. It is the reason that education is a top concern among Americans.

Briefly, our Nation has the best graduate schools in the world; we have the most innovative minds which have created the Information Age technology. But as far as the educational system to provide the skills for the jobs made available by this technology, we are among the worst. We are losing hundreds of thousands of jobs to nations in Europe and Asia. Right now, there are over 200,000 jobs in the information technology field alone that are going begging in this Nation because we do not have the educational system, primarily the K through 12 grades, to provide the basic skills, mostly to math, to supply the necessary skilled workers.

In the Washington region alone, there are 50,000 jobs in the Information Age, of information technology-related areas going now unfulfilled. This is the weekend Washington Post, which had over 100 pages of jobs that are available that are not being filled, or most of them are not being filled. So this is an indication of what we have to deal with as far as the importance of these hearings—to make sure that we can provide the workers for these jobs available in this region.

This provides incredible potential to benefit the Washington area. However, the District of Columbia has among the worst K through 12 school systems in the country. Since the Federal Government under the Constitution is responsible for the District's educational system, it is imperative that we in Congress help to make these schools the best. We must commit ourselves to that goal.

These hearings will examine how to do this. Further, they will examine what the Washington region can do to work together to form a seamless educational system, working with educators from kindergarten to graduate school, parents, community leaders, and the business community to provide skilled workers to fill these vacant jobs.

I look to this region to help guide the rest of the Nation in dealing with the education crisis.

These 3 days of hearings are to address a problem that has enormous significance for the future of this Nation and the lasting prosperity of our citizens. We will look at the issue of education and workforce development for the 21st century through the regional prism of the Washington metropolitan area. I believe that in the course of this hearing, we will learn a great deal about how the economic strength of the Washington metropolitan region can be improved through innovative education and training systems.

My goal is to bring increased focus and knowledge to the burning question of workforce development in the 21st century, while at the same time to address the specific crisis that exists in the schools of our Nation's Capital.

Today we will look at the labor market shortages in the information technology, or IT, jobs from a national perspective and then guide that discussion to the specific needs of the Washington metropolitan area. Tomorrow, Day 2, we will address the education crisis that exists in the District of Columbia public schools and specifically the State of infrastructure repair, as well as the educational results that are among the worst in the Nation. This situation seriously impedes the overall economic growth of the region. The responsibility held by the United States Congress to help alleviate this crisis will also be discussed.

On Thursday, Day 3, we will focus on the region and hear testimony about the innovative programs and solutions and ways to finance these plans.

I think we have before us an ambitious but fascinating schedule.

Let me begin today with some sobering information. We face a national economic crisis if we fail to prepare our workforce for the high-paying technology jobs of the future. As a Nation, we are currently enjoying an extended period of economic strength, but we must not be lulled into a false sense of complacency by short-term economic indicators.

The foundation of our economy is rapidly shifting from a manufacturing base to what is now known as the "global knowledge economy." In the global knowledge economy, the ability to use critical thinking skills with advanced technology will be at a premium. Technology proficiency will be required to get and keep a good job.

The question looms: Are we really prepared as a nation to be a leader of the global knowledge economy? Will our workers be surpassed by the workforces of our competitors overseas? They are being at present.

At present, there are 200,000 high-skill information technology jobs at large and midsize U.S. companies across the country. These vacancies are almost equally divided between companies that focus on technology as a product and every other kind of company that now relies heavily on advanced technology skills to get the jobs done. This shows us that as we approach the 21st century, there is a frightening gap between the preparedness of American works and the new job requirements.

In the Washington area alone, there are at least 50,000 jobs with average salaries of $40,000 that cannot be filled by the local labor market. I have in my hand The Washington Post from this past Sunday. There are 100 pages of jobs here. Companies have complained to me in meeting after meeting that they are forced to recruit from other States and even from other countries to find people qualified to fill these positions—a tactic that is very cost-prohibitive.

The Greater Washington Board of Trade estimates that if these 50,000 jobs were filled, the regional economy would be boosted by $3.5 billion annually. Without improved education and training, the iron chain of economic development surrounding our region is missing a critical link. The challenge for our Nation's Capital is the challenge faced overall in our national economy, so let us start by asking the question: How do we maximize the economic potential of the DC. metropolitan region?

First, I believe that we must restore the vital economic resources of the District of Columbia. The District of Columbia as the capital of the United States is a unique economic asset that has great benefits to the entire metropolitan region. No other area has this benefit. Economic studies have shown that for each dollar improvement in the economy of the District, an additional $1.50 benefit results in the DC. metropolitan region. In other words, the economy of the metropolitan region depends to a great extent upon the benefits attributed to the Nation's Capital and its workforce.

This is an anomaly to other urban areas, where cities normally drain resources from the suburbs to support the core. The opposite is true in this area. In 1995, Congress directly resumed the constitutional responsibilities for the District. Now Congress must see this authority to restore the District's opportunity to maximize the economic potential.

Recent legislation known as the "District recovery package" provides some help, but it does not go far enough in responding to the grave crisis facing the District. Further, it does little to improve public safety or the more critical problems of the schools, which are the foremost obstacles to economic growth for District residents and families.

According to a recent poll, the three top concerns of families in deciding where to live are, first, proximity to the job. That means people ought to be coming to the city to live near the job. Next is public safety and schools. These two critical issues are the ones that we have to face. One wonders why the DC. workforce has fled to the suburbs. We only have to look at the issues of schools and public safety in the District. From 1975, when home rule took effect, until 1995, when Congress asserted greater authority through the Financial Control Board, the District Government failed to maintain essential municipal functions—road, school and water systems, and infrastructure badly suffered. Public safety standards slumped dangerously until the District held one of the highest crime rates in the country.

The result was an exodus of District residents to the suburbs. In 1975, about half of the population that worked in the District lived in the District. Today, more than two-thirds of those who work in the District live in surrounding suburbs, taking valuable untaxed income with them.

The most tragic toll has been taken upon the schools and the children our Nation's Capital. The infrastructure crisis has resulted in chaos, in late school year openings for 4 years in a row. Although studies show that District children enter the school system at the normal learning levels—and that is critical for all people to understand—the statistics quickly spiral downward from that point on, and that is our responsibility.

The District has one of the worst dropout rates and one of the worst academic records in the country. Our recent standardized tests reported that the percentage of DC. students scoring "Below basic" on reading and math—meaning well below grade level; "Basic" is pretty far down—greatly exceeded the national average. The dilapidation of the school buildings and the academic quality of the schools are major factors in the declining quality of District families.

We should all be ashamed of the conditions of public schools in our Nation's Capital. A country's schools are the bellwether of its society. I fear that the stakes are very high when the schools of our capital city are in such disrepair, and I hope that my colleagues in Congress will be listening this week to heed this grave warning.

When Congress resumed its constitutional obligation to the District, it assumed the responsibility to find a means to provide the education that Washington's children have a legal right to receive. The Control Board has begun to take strong action to improve the academic accountability of the school system. Congress now has the responsibility to fund the infrastructure improvements necessary to make the schools both safe and effective.

To make education in the Washington metropolitan region truly effective, students must be able to look forward to a future filled with economic potential. By taking action today to improve the education and training opportunities, students of the region will be able to fill the 50,000 jobs that are out there. These often pay $40,000 to $80,000 a year. The parents of this region ought to take notice—these are jobs that could be filled by high school graduates, as they are in Asia and Europe.

I have served in Congress for nearly 30 years, and I am a longtime resident of the District. During my career, I have been chairman of the subcommittee on the District of Columbia and now serve as chairman of the committee with jurisdiction over education nationwide. As such, I have a deep and abiding personal commitment to resolve the plight of our Nation's cities and to address the Nation's overall educational challenges. I am holding these hearings to look for comprehensive options for a sustainable solution that benefits all involved.

I would like to thank the many experts and hands-on individuals who work on these issues every day who have agreed to testify. I appreciate everyone who is here, taking the time to join us.

Now, I will turn to the distinguished members of my committee for opening statements.

Senator WARNER. Well, Mr. Chairman, I will submit my opening statement, but I thought maybe as a courtesy, we should invite our colleague from the House just to make a few remarks, and then I would follow.

The CHAIRMAN. Fine.

Delegate Norton?

Ms. Norton. I very much appreciate the gentleman's courtesy. I appreciate the initiative of Senator Jeffords which is consistent with his interest in the District and in the region. His overriding concern is education, and I want to assure him that no concern is of greater priority to this region or to this city. The region grew to the best-educated region in the United States in no small part because it was able to attract residents from around the country.

Might I also say that the regional delegation works very closely and cooperatively together despite occasional disagreements on some matters. The matter about which there perhaps will be ongoing disagreement has to do with a commuter task.

Senator WARNER. I will address that momentarily.

Ms. Norton. It is not an issue on which we have been able to reach agreement. As we face the challenges of the region, I believe that there is a will within the region to find cooperation across jurisdictional boundaries for issues of overriding concern to the region. In my judgment, the best chance for getting that regional financial cooperation is on the transportation issue, because we will never get it on an issue unless all of us agree on the priority of the issue.

If that were to be the issue, we would accomplish what we might accomplish if it were some other issue, such as education, because it would free up funds for priorities such as education.

The important point is that this is a delegation that works together. I make absolutely no bones about my disagreement with my colleagues in the region when we are in disagreement, and then we close ranks, and we work together on the issues where we can find agreement.

I would urge the region to look at what issues we might achieve consensus on across jurisdictional boundaries for financial cooperation. I have suggested one, Senator Jeffords has suggested another. What is most important is that the decision can be made only by the members of the region, the members from Maryland, the members from Virginia, and the members from the District of Columbia.

We very much appreciate the very generous attention that Senator Jeffords has always given to issues in the District in particular, particularly when he was chairman of the appropriations subcommittee. His personal interest in the children of the District and in education has been deep and abiding, and may I say I particularly appreciate the way in which he has generally respected the rights of the residents of the District of Columbia.

I do for the record want to put on the record that the responsibility for the schools of the District of Columbia does not belong to the Congress of the United States. We welcome your help, we seek your help, but the responsibility for each and every issue within the District of Columbia belongs to the residents of the District of Columbia because we are full American citizens. We recognize that we are the Capital of the United States, but education, like every other issue affecting the residents of the District of Columbia, we will insist will be decided by the residents of the District of Columbia.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Ms. Norton.

Senator Warner, first, I have appreciated your help on the workforce bill and the commission that you added to look at some of these problems. I know we may have somewhat of a disagreement on some aspects of this proposal that I am going forward with, but I want to make it clear, I do not care how it gets done; I just want to see it done.

Senator WARNER. Thank you, Mr. Chairman.

We first thank you, Delegate Norton. You are a good working partner. And Mr. chairman, you have taken up a banner here in the U.S. Senate on behalf of the District of Columbia from the first day you joined, and it is not something that many heretofore have done, and I commend you for that.

Seated before us today is a distinguished panel, and they can focus on the question which I hope we will not lose sight of, and that is the crying need to find qualified people and lay the base of education for people to fill these jobs. I have raised that issue many times in this committee, and the partnership bill that I put in established a commission to study this point. So I hope we will not lose focus on this important subject.

Now, just a minute here on this commuter tax business. I am reading from our Congressional Record of September 30, 1997, page 10195: "The DC. school system already spends $7,655 a year, more than $1,500 greater than the national average spent per student in schools, more than $1,000 greater than is spent in the school districts in the neighboring counties of Maryland and Virginia."

So the money is there, and I do not think we want to talk about a commuter tax. This is my 19th year in the Senate, and I guarantee you, a tax of this nature will be over my dead body.

But we should focus on this job crisis and the opportunity for a lot of young people, and we are fortunate to have these gentlemen here this morning to address this issue. They have worked on it a great deal. I have worked with the Northern Virginia Technology Council, with which you are very familiar; they have done a good job. George Mason University, under the brilliant leadership of its new president, Dr. Merton, with whom I met just 2 days ago on this subject, is addressing it. The new Governor of Virginia, who will be inaugurated on Saturday, is establishing a Cabinet position—the first time in the history of Virginia—to address the whole issue of high-tech growth and particularly education. Education will be the main theme of the Gilmore administration.

So much is being done, and I thank you for having these hearings, and I hope we can focus on how we can best get a qualified stream of individuals to fill these vacant jobs.

Thank you, Mr. Chairman, and members of the committee.

The CHAIRMAN. Thank you, Senator.

Senator DeWine, I want to commend you for your work on the workforce improvement legislation, which I am very confident we are going to take up pretty quickly. I spent a considerable amount of time with Buck McKeon, the Representative with whom we will be working, and I came away from that experience in California enthusiastic about getting to action on that bill.

Senator DEWINE. Well, that certainly is good news, Mr. Chairman, and I appreciate all of your leadership in this whole workforce development area. I just want to congratulate you this morning for holding this hearing on education and workforce development in the Washington, DC. area.

You and I have talked extensively in the past about this, but we have a major crisis in this country, and our crisis is in urban education, big city schools. Frankly, many of them just do not work, or they do not work very well. And I would hope that in the next 3 days, we will get some more information about what is going on in the area of education, not only in the region, but also specifically in the District of Columbia.

It is very clear that our children in many of our big cities, including the District of Columbia, are simply not being served as well as they should be served, so I look forward to this hearing.

The CHAIRMAN. Thank you all.

I now want to focus on where we are starting here. We will be taking up tomorrow some of the questions that have been raised on how we can cure the problems of the District's, schools so I will not pursue that any further at this time.

I am very pleased to have a panel with us now that can focus attention on the region and how we can work together in order to maximize the opportunity for the kids and young people in this city and the region so that we can provide that kind of opportunity for them to have the jobs that we know are available now and to make sure we are ready for the jobs of the future.

The purpose of today's hearing is to learn about workforce development in the Washington, DC. area and why it is useful to examine this process from a regional perspective.

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The **CHAIRMAN**. Our first panel includes respected individuals from the business community who have thought about these issues when building their companies and organizations.

Our first witness is Cliff Kendall, who represents the Greater Washington Board of Trade, whose mission is to promote the greater Washington region's competitiveness in the fast-changing global marketplace. Mr. Kendall is also founder and chairman of the board of Computer Data Systems, Incorporated, a professional and processing service firm that provides consulting and data processing services, and he has recently completed a 3-year term as chairman of the High-Technology Council of Maryland.

Mr. Kendall, welcome, and please proceed.

CLIFF KENDALL, CHAIRMAN, GREATER WASHINGTON BOARD OF TRADE; WILLIAM FREEMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, BELL ATLANTIC WASHINGTON, DC; AND GREG FARMER, VICE PRESIDENT OF GOVERNMENT RELATIONS AND INTERNATIONAL TRADE, NORTEL CORPORATION (NORTHERN TELECOM)

Mr. **KENDALL**. Thank you very much, Mr. Chairman.

My name is Cliff Kendall, and I am chairman of Computer Data Systems, Incorporated, a Maryland firm that was established 29 years ago. I am also chairman of a firm called Objective Communications, which was formed in Virginia about 4 years ago. So I represent regionalism, but today, I speak on behalf of the Board of Trade and its 1,000 members, business and professional organizations in the city.

I really would like to talk a little bit about regionalism and the importance of addressing this problem and other problems of this nature from a regional point of view.

I must say we do appreciate the fact that you are holding these hearings and are looking at it from a regional point of view, because the National Capital Region is very important, and one of the things that we believe at the Board of Trade is that we should be looking at these as regional issues.

When we look at this regional area, we recognize that we have two States involved, and we have the District of Columbia involved, the seat of our Federal Government, and this makes it more difficult to have a regional consensus on all of the issues that come up because of the multiple jurisdictions.

The Board of Trade has encouraged regional initiatives throughout the last 5 or 6 years and has taken many active steps. Just to give you an idea of what we have to deal with, we have to deal with the Maryland State Legislature, the Virginia State Legislature, and of course, the District Government, the Control Board, and the Federal Government all have a responsibility in this area.

In addition to that, there are something like 18 other local jurisdictions that all encompass what we consider the local regional area. We have defined this area as "the Potomac region," so we look at as Frederick County on the west and the southern counties, Stafford, Calvert, and Charles Counties on the south, Loudon County on the west with Prince William County, and then we have Montgomery, Prince George's Arlington, Alexandria, Frederick, and the District of Columbia, which all form what we call "the Potomac region" or the Potomac area. And if you think about it, in this area, we have 4.5 million people; we have 2.4 million jobs in this area; we have a gross regional product of $159 billion. If this one region were a State, we would rank as the 23rd-largest State, but we are really an economic power in terms of the fact that we are first in median income, sixth in total Federal spending, first in per capita Federal spending, and 14th in gross State economic product, and we are first in the population with college degrees in this area. So we have economically a very powerful region that we represent.

And this region is really connected. In the 1990 Census, it was reported that one-third of our employees commute to another State; one-third of them move from one area to another to go to work every day. This is greater transit than you have in the New Jersey, Connecticut and New York area. There is more interconnectivity here in this area, so it is important to know that we are one region with the people moving around.

We know that in this area, the Federal Government has been the predominant focus point for business in Washington, DC, and it remains very important. But the growth in this area today is in the private sector jobs. That is where the new jobs are being created, and that is where we have the need for trained people.

The "State of Potomac" as I am talking about it has many information and technology firms. We are the seat of the biotechnology industry because of the Federal research labs we have here and the universities and the medical facilities. We are home to 170 embassies, and there are major financial organizations here; in addition to that, there are 700 foreign firms that have their national headquarters right here in this area.

The Board of Trade has been a leader in promoting regional approaches. In 1991, we drew all of the leaders in the greater Washington area, including the Governor of the State of Maryland, the Governor of the State of Virginia, Members of Congress joined us, and our political leaders and our private leaders together, to see just what we had in terms of the economics of this area.

This summit addressed the economic conditions of the area, and the idea was to promote the concept of regional cooperation and a strategy for making this region more competitive in the global sense.

From that, we have had a series of meetings of this, what is now called the Potomac Conference. What we have tried to do and resulting from the first meeting was to identify new efforts which were needed to improve regional governance and cooperation and what were the things that the future health of the region and the city have got to be linked to in order to solve the problems and to make this a world-class metropolis, and what is the regional approach to marketing.

This has been a continuing study, and I might say that we have addressed in this area the workforce issues. We specifically address the workforce issue with the Federal Government downsizing as one of the areas where we can help in this area. Subsequent conferences have also focused on the importance of the city of Washington to the region, how important it is, and I might just add that the Potomac Conference has addressed what Congresswoman Norton just mentioned, the transportation crisis, and the need for greater coordination throughout this region to address the transportation issues.

Today, we know that it is very difficult for the political regions to come together. It is very difficult because of the taxing implications, where they are in a competitive environment, and they do not share in the expansion of a tax base. This has made it more difficult. But we do have areas of success, and there are current ingredients that have existed. Unfortunately, the ingredients are that when the Federal Government has taken a leadership position, we have been very successful. We have been very successful when the Federal Government has put in a large amount of money. And the other time we have been very successful is when we have come to a crisis—and it is unfortunate that we have to say that, but that happens to be the fact of life if you look at it here. One of our great successes has been Metrorail. Metrorail was the result of a successful partnership that started in 1958-59 with Senator Bible. He helped form the planning for Metro, which has made an enormous difference, and he brought the region together.

Another successful area is if you look at the Washington Metropolitan Airport Authority, where we have had great success in the new additions to National Airport and Dulles Airport as the result of a Federal presence in this area and funding that has made our two airports lovely as a result of the recent renovations.

We have also had in recent years the opportunity to come together as a region on water supply and distribution, sewage treatment and solid waste disposal, and we have done this to meet the Clean Air Act. The States have formed a committee in this area to address these issues, but when it comes down to implementing each area, each jurisdiction does its own implementation.

I guess my role here today is to say that the workforce issue is one of our major issues. We know of other major issues in this area, transportation being one today, that are of great importance to all of us, and there are other areas such as a joint response on public safety, a strategy for taking advantage of the increasing ethnic diversity of the region, and a shared vision in implementation of regional economic development are all important.

It is unfortunately true, as I mentioned before, that those of us in business in this area do not make our business decisions based on the region and what is happening in it to a large extent, although to some extent, we do. Our economic fate really rests on what happens in the region, and we understand it, and we understand that the core of this region is the Washington, DC area.

But I will say today that the leadership of the Federal Government is required if we are going to be successful. Unfortunately, if you take all the great successes—Metrorail, the Washington Airport Authority, and now the financing of the Woodrow Wilson Bridge—they all require some Federal Government intervention.

The business community really seeks to address all of these issues on a regional basis, particularly the workforce issue, and we have several initiatives going. But realistically, we do need some Federal Government help.

Thank you very much.

The CHAIRMAN. Thank you, Mr. Kendall.

[The prepared statement of Mr. Kendall may be found in the appendix.]

The **Chairman**. Our second witness is Bill Freeman, who is president and chief executive officer of Bell Atlantic, Washington, DC. Bell Atlantic is one of the key partners of Capital Commitment, a project that will be described in more detail throughout these hearings. Mr. Freeman is also a board member of DC. Agenda, an organization that brings people together from the public, private and nonprofit sectors to address issues regarding the quality of life in Washington, DC.

Mr. Freeman, please proceed.

Mr. **Freeman**. Thank you, and good morning, Mr. Chairman, members of the committee, and Congresswoman Norton.

Thank you for convening these hearings to discuss meaningful workforce preparation practices and desired outcomes for the District of Columbia and the region.

Today I will give you a brief description of an excellent program with which Bell Atlantic has been closely involved, Capital Commitment Incorporated. I will also discuss the workforce preparation work being done by the DC. Agenda. I am co-chair of the economic development committee of DC. Agenda and chair of the workforce preparation subcommittee.

Capital Commitment is a telecommunications technical school located in Southeast Washington, DC. It is a nonprofit organization established in June 1991 for the purpose of training unemployed and underemployed individuals in Washington, DC and the surrounding metropolitan area to qualify for jobs in the dynamic growth industry of telecommunications.

It is my understanding that Capital Commitment's founders, Ernest and LaVerne Boykin, will be testifying here on January the 15th. Therefore, I will not speak in great detail about the Capital Commitment program and its accomplishments and challenges. Their vision, dedication and personal sacrifice have earned these two wonderful people the privilege of appearing before this committee, and they are the best ones to tell their own story.

I would like to focus on Bell Atlantic's involvement with Capital Commitment, how we have partnered to achieve success and what lessons have been learned with respect to workforce preparation.

Bell Atlantic became involved with Capital Commitment in 1994. Capital Commitment's mission is to be the best at facilitating telecommunications opportunities through education and to serve as a model for industry-driven job training and personal development programs. These goals were consistent with Bell Atlantic's own business plans and consistent with our charitable giving plans.

There are three critical ways in which Capital Commitment could have been helped to achieve its goals—through financial support, through strategic managerial assistance and providing jobs for its graduates. I am proud to tell you that Bell Atlantic has been a partner to Capital Commitment in all three ways.

We began by providing financial support through outright grants as well as sponsorship of events to raise funds for the training program. It became clear in relatively short order that our business needs in the competitive local exchange market could be well-served by expanding our partnership with Capital Commitment.

When we were offered a position on the board of directors, we accepted. In fact, the current chairman of the board of Capital Commitment is a Bell Atlantic executive, Brad Boehmler, who was formerly the general manager for operations in Bell Atlantic Washington.

Bell Atlantic's board involvement was directly responsible for the expansion of Capital Commitment's training curriculum to include a Bell Atlantic-sponsored residential telephone installation module. Bell Atlantic and the other corporate supporters of Capital Commitment have worked cooperatively to try to ensure that the training curriculum designs, the technical expertise and the funding are all aligned on our expectations of the current and future telecommunications job markets.

I would briefly like to describe a Bell Atlantic work project and the opportunities created for Capital Commitment participants. We are the prime contractor for the Department of the Army's TEMPO contract. As a task under that contract, we have been involved with the Army in developing telecommunications infrastructure for the Pentagon renovation work which includes rewiring the entire facility. There are 18 subcontractors supporting Bell Atlantic who are hiring Capital Commitment graduates and students into their workforces. Capital Commitment has effectively created a reservoir of talent for these smaller businesses in the region and in the District of Columbia.

Bell Atlantic is very pleased to be working in partnership with Capital Commitment in this positively focused effort. Building bridges between segments of the community and the private sector and developing partnerships such that opportunities in the telecommunications industry are available to all of the unemployed and underemployed is very good business. Our need for skilled technicians in the growing market demands that all potential sources of skilled labor be leveraged against the problem. Capital Commitment is a true model of welfare-to-work in its broadest sense and should be supported through a combination of public and private initiatives.

I would like to say that Capital Commitment since its inception has graduated and trained about 574 people; 492 have been residents of the District of Columbia. They have not received any financial support from the District of Columbia, however, which is something that I know the Boykins would like to address in their testimony later on. The financial support has primarily been driven by corporations, with some support from the surrounding regional governmental entities in terms of grants.

Of their graduates, 169 of those graduates have been employed in Bell Atlantic-related projects.

I would now like to turn to the work of DC Agenda. As you may know, DC Agenda is a nonprofit organization located here in the Nation's Capital which has as its mission to mobilize a cross-section of leaders to solve pressing issues by providing information, technical assistance and resources to improve the governance and quality of life in our city.

More than a year ago, leaders from the business community, health, higher education, finance and community groups, along with leaders from both the executive and legislative branches of the local government, met intensively to develop consensus around a number of issues that would bring needed economic vitality to the city. That group, which I co-chaired along with Dana Stebbins, a locally and nationally-recognized attorney, gave and continues to give significant attention to the challenges of workforce preparation.

Our work has been shaped by two basic principles. First, we recognize that there is an inextricable link between the District of Columbia and the region and that meaningful, long-lasting solutions to the problems related to workforce preparation will not be found solely within the boundaries of the city. Indeed, while the District may have a disproportionately higher percentage of residents who are unemployed or underemployed, the opportunities for gainful employment and skills training are in fact found throughout the region, not just in the city itself.

The second basic principle is that in this area, there are very skilled suppliers and providers of workforce preparation training, focusing their attention on adequately preparing individuals for jobs in the growth industries of the city and the region—high-technology, hospitality, health care, communications, finance and the like.

On January 8th, the DC Agenda focused its quarterly board meeting on the subject of workforce preparation. I would like to take this opportunity to present a few highlights of that meeting.

DC Agenda commissioned a research report from The Urban Institute, which reviews trends in the availability of jobs in the city and surrounding suburbs. The report suggests six basic principles for an effective workforce development strategy targeted to people in the District of Columbia. The first is think and plan regionally. Workforce development efforts targeted at District residents must recognize that the labor market is indeed regional. Training and placement programs should link DC. residents to the full range of employment and advancement opportunities region wide, although some services may be best be delivered at the neighborhood level.

Second, work with and respond to private sector employers. In today's tight labor market, employers have a strong incentive to participate in efforts that will provide them with qualified, reliable workers. Programs that respond to employer priorities and are linked to real job prospects are the most likely to produce meaningful results.

Third, recognize the diversity of the target population. The population of District residents who need employment services is diverse. A one-size-fits-all approach to workforce development will not be effective.

Fourth, combine programs that focus on quick attachment to the labor force with those that build human capital. Programs that focus on quick attachment to the labor force should help participants develop a longer-term strategy for advancement. Programs that focus on longer-term education and skills building should maintain close ties to employers and provide meaningful work experience in the short term.

Fifth, focus on employment and longer-term self-sufficiency as the priority goals for all participants.

Every workforce development program should deliver a clear and consistent message that work is the objective and that becoming self-sufficient may involve a progression through several jobs while a person builds experience and skills. Keeping a job and advancing to a better job over time may be as much of a challenge to DC. residents as getting a job in the first place.

Sixth, hold programs and agencies accountable to high performance standards. Any program, no matter how well-designed, will fail if it is not effectively implemented. Every element of the District's workforce development strategy should be monitored to ensure that it is delivering services and producing results for the people who participate.

A similar view was offered by the Manpower Demonstration Research Corporation, which presented five different common characteristics of the most effective employment programs they have studied. As you may already know, the Manpower Demonstration Research Corporation, or MDRC, is a nationally-recognized nonprofit research organization founded in 1974 which designs and rigorously field-tests promising programs aimed at improving life prospects for disadvantaged persons.

They have concluded that effective programs must have: 1) an employment focus, that is, have their primary mission to provide jobs to individuals; 2) private sector involvement and connections allowing for strong private sector guidance regarding training needs; 3) high expectations for program participants, thereby introducing to them the same types of expectations that will be found in the workplace; 4) aggressive recruitment to reach those businesses that need employees but which may not have volunteered to take graduates of the training programs; and 5) good management and data systems allowing work programs to track the ongoing performance of their graduates.

A representative from the Marriott Corporation's "Pathways to Independence" program said very succinctly that there are three things that effective training and placement programs must do for their program participants—build self-esteem, create accountability, and create dependability. Without those elements, the programs and the participants will fail.

The findings and insights of these groups require the District to take a hard look at certain programs and assumptions and we develop effective workforce preparation strategies. On the one hand, the District has approximately 200,000 residents who are on AFDC or are Medicare-eligible. That means that roughly 40 percent of the residents of this city are currently underemployed or unemployed. These people need more than jobs, and programs such as Jobs First, which focuses solely on employment and precludes the opportunity to provide needed preparatory support services including child care, transportation and workplace skills, will not solve the problem.

We need to remember that there is work to be done with these individuals before and after they are hired, and programs which provide mentoring, conflict resolution skills and other support services are the ones which will enable individuals to keep their jobs and progress in the workforce.

Our discussion also focused on the fact that job opportunities are present in the District of Columbia. There is in fact a surplus of entry-level skilled jobs in the city. That is, there are more entry-level jobs in the city than there are District residents who have the skills to fill those jobs. It is clear that regional strategies must also provide the opportunity to train and place individuals for positions here in the city.

I would like to share one brief anecdote that was discussed in our meeting. A service provider discussed and described the difficulty of working with a client who was a homeless person. The difficulty arose not because the individual was homeless. In fact, the person was persistent in the training program and had gotten a job. The difficulty arose because the social service regulations for homeless people require that individuals move to different shelters several times a month and that they must be at the shelter at a certain time or lose their beds. Needless to say, this created a transportation and punctuality problem for the individual. When a representative from the training program spoke with the social services people, he was told that the problem was not solvable, because "rules were rules." And of course, the homeless person eventually fell through the cracks.

One challenge for us is to identify what is the most important issue that has the potential of resolving or addressing the other problems. I submit that getting a keeping a job and the economic vitality and viability associated with the job is the most important thing and that social service procedures should be revised to ensure that those receiving multiple services have a real chance for success.

In closing, I would like to say that the lessons learned at DC Agenda's board meeting will be incorporated into our workforce preparation efforts and in the report we will submit to the DC. Government, the Control Board, the Council, the Mayor and the elected officials.

We must recognize that providing effective pre- and post employment services to those most in need is the single most important determinant to an individual having a chance to get and keep a job. Employers must have realistic expectations of the target population and recognize the need for some type of support for this diverse group. Multiple supports and social services must be coordinated and structured to maximize the potential for appropriate performance in the workplace.

We need to be attentive to identifying measurable goals, not just in job placement, but in job retention and advancement. And, as I said earlier, we must think and plan regionally.

Thank you for the opportunity to appear before you this morning.

The CHAIRMAN. Thank you very much.

[The prepared statement of Mr. Freeman follows:]

The CHAIRMAN. Our final witness on this panel is Greg Farmer. He is vice president for government relations for Northern Telecom, one of the fastest-growing technology companies in the world and the second of the three corporate partners that sponsor Capital Commitment. In addition, Mr. Farmer founded Partners in Technology, a coalition of high-tech companies that equip schools with computer and access to the Internet.

Welcome.

Mr. **Farmer**. Thank you, Mr. Chairman and members of the committee and Congresswoman Norton. It is a pleasure to be here.

Bell Atlantic is a good customer and a household word here. You may not be as familiar with Nortel. We are the leading global supplier of fully digital network solutions and services. We design, build and integrate digital networks. We operate in 150 countries. We have more employees in the United States than any other country, including 500 in the McLean area. We have some presence in every State in the country.

The administration announced yesterday that they are going to have a new public-private partnership whose objective is to go after filling high-tech jobs. In today's New York Times front page, it talks about how the shortage of high-tech jobs being filled can actually impact our economic and technological boom in the future.

I would hope that the administration and Congress, as they are looking at ways to do this, will look at Capital Commitment. Capital Commitment is a shiny gem, a diamond, if you will, in a rusty crown. It is a program that works. I will tell you how I first got hooked on Capital Commitment.

I was at a graduation ceremony for it, and a young man stood up—his name was Ricky Mozi—and he said: "I was a drug and alcohol abuser. I was living on welfare in Anacostia, facing an 84 percent unemployment rate in my city. I was fighting addictions," and in his own words, "I had no future," his family had no future, and he was afraid to dream. He said, "After Capital Commitment, I am now married, I have a home in Maryland, I have three kids, and I am a supervisor of telecommunications at National Airport."

Ladies and gentlemen, after that day, I was hooked.

Nortel is proud to have been the first corporate sponsor of Capital Commitment, and we have given over $1 million in equipment and resources to Capital Commitment. I am announcing today that we are donating another central office switch with advanced software for advanced training and education.

But it is not just Nortel. Our customers are there with us, and even our competitors, because this is the time when we have got to work together, because the issue is so important.

Capital Commitment has a 90 percent-plus graduation rate with an 80 percent-plus retention rate. Most of these people were originally on welfare and have now gone to work, generating taxes, revenue and a better quality of life. I have personally taken several administration officials through Capital Commitment and some city officials through Capital Commitment, and I will commit to you that I would love to take any of you through Capital Commitment, because if you see it first-hand, you will be as enthused and sold on the program as we are.

I have had the privilege to do two stints in public service, one as the Secretary of Commerce in Florida, and one as the U.S. Undersecretary of Commerce. In both cases, I recognized and led efforts to create public-private partnerships. I participated in a partnership fashion film promotion, tourism promotion, and economic development promotion in the State of Florida; conducted the White House Conference on Travel and Tourism here, in which the number one recommendation was a public-private partnership. I believe that public-private partnerships are the solution to many of society's ills, because you bring the commitment and compassion and objectivity of the public sector with the business management and resources of the private sector, and you solve a problem.

I must tell you all today, though, that with Capital Commitment. you have a partnership in which the public is absent. The private sector has and shall continue to support Capital Commitment, but there is in my opinion a responsibility for the public sector to do as well.

I also want to say that I strongly support the idea of the DC. National Capital Revitalization Corporation, the idea of putting together premier economic development entity for the District of Columbia.

I would like to talk just briefly about another program in which we have had the privilege to be involved in Nortel. It first began when we were converting our computer systems, and I looked around at who might be interested in our old computers. And Hine Junior High School, about a block and a half from where I live, did not have state-of-the-art computers or Internet access. We donated the computers to them, we brought in our technicians, we trained the people in how to use them, and now, Hine Junior High has computer Internet capability.

That worked so well that friends of mine from Burrville Elementary said that they would love for us to do the same for them, so we did so; we provide the computers, the Internet access and the technological expertise.

But as we began to try to recruit other companies to do this, we found that there was a disconnect. A lot of people were donating old computers, but they really were not giving the tools and the technology to get the job done. So we created a public-private partnership called Partners in Technology. We are currently working with the school board and with the oversight board to make sure that we inventory what is out there and then match what private sector companies can contribute to what the schools actually need. And we put together tech teams for virtually every school in the District of Columbia—volunteers who, on their own time, work with the school administrators to make sure that there is a connect there. And I hope that over the next few years, we are able to provide every boy and girl in our DC. schools with the tools they are going to need to fill these high-tech jobs that currently exist.

I can tell you from my time at Nortel that the two most rewarding experiences I have had the privileges of having are, one, hearing Ricky Mozi talk about changing his life through Capital Commitment, and second, watching an eighth-grader at Hine Junior High publish her own newsletter which she created on a computer that Nortel contributed.

Ladies and gentlemen, I believe these public-private partnerships can work. We are going to be committed at Nortel to making them work, and I would be enthusiastically interested in working with you to make them happen.

Thank you.

The CHAIRMAN. Thank you all for excellent testimony.

Let me ask a question of all three of you, and it is right on the area that you are talking about. What do we need to do in this region to create a system where there is that kind of involvement between private industry and the school system? I just returned from California, where I took a look at a system in Long Beach where they have created what they call a "seamless" system for education, with all different divergents meeting and planning and helping the schools to design programs. Is that the kind of thing we need? What do you need to be able to get the resources that you need as far as trained workers?

Mr. FARMER. Well, Mr. Chairman, to be real frank with you, I tried convening a number of high-tech companies to do just this, and unfortunately, where everyone wants to do public service and good things for schools and care about the young people, there is a skepticism that the bureaucracy is going to abuse the resources, and they are never going to get into the classroom.

The solution, I believe, is to get programs that directly go into the classrooms, like computers right in there, or Internet access right in there. Then I think you will have enthusiastic response from the private sector. They want to help, but they all feel that they have been burned in the past when they have tried to, and somehow, it never actually got into the classroom. So whatever the Government can do to facilitate that, I think would be helpful.

The second thing I think is programs like Capital Commitment. Capital Commitment is a success story in the District of Columbia, 2 miles from here, and there is no reason why it could not be a model that is replicated elsewhere.

The CHAIRMAN. Mr. Kendall?

Mr. KENDALL. One of the initiatives we have at the Board of Trade I think is quite interesting. We have a workforce committee addressing this, and we are going out to the businesses—we have hired a consultant to go out and profile every kind of job out there, not just technology jobs, but jobs in the workplace, in the retail establishments, that use technology, in the gas stations, in the technology companies. We are trying to establish job profiles, and with those job profiles, we are trying to match and identify the requirements and at what level are the requirements. I am not just talking about technology requirements. I am talking about reading and writing as well as technology, the use of word processing equipment.

Our intention is to identify a large series of jobs and give this to three different groups—give it to the institutions from K through 12, the junior colleges and the colleges—and say here are the kinds of skills that people need, and this is the level at which they need to have them. We want to give it to the people in the workforce and say this is the kind of training that you should get if you want to get jobs in these areas. And of course, we want to give it to the employers to say these are the kinds of skills you should find when you are out looking, and try to match the educational skills to the workforce needs and let the people also identify them.

We have great hope that if we can transmit this, not just in the District or in Maryland or in Virginia, but in the whole region, that we can get people trained at all different levels and identify the specific needs. This is an area in which we are very optimistic that we will be able to come up with some things that will help the whole environment for training.

The **CHAIRMAN**. Thank you very much.

Mr. Freeman?

Mr. **FREEMAN**. Senator, it is obviously a very critical question that you have raised. In violent agreement with my two colleagues, I would like to add, without being redundant, that just like when you find successful schools, you typically find a very successful principal running that school, what you are talking about now is being able to get the school apparatus, the administration, and the teachers, involved in understanding and having buy-in up-front in a process to develop these partnership.

I think what has happened too often in the past is that an idea that sounds like a very good idea, whether it be to provide technology or to provide computers or to do wiring, has been done on a unilateral basis, and the school apparatus has not been brought into that process up front and has not had a chance to buy in to find out how they are actually going to use this technology or use these new capabilities. We have got to improve that level of partnership up front. That kind of public-private partnership needs to start at the very beginning so you have equal partners in that planning and the development of these programs in the schools.

Greg has also mentioned a very important aspect. K through 12 is not the end of the schooling and learning process here in the District or in the region. Organizations like Capital Commitment must be nurtured and encouraged and provide the resources to take that population that is beyond that K through 12 kind of scenario, but still need jobs, need to transform themselves into economically vital people in the economy with salaries and wages. That will also send very strong signals to those who are in the K through 12 process now that education is important, that it does lead to positive outcomes, it does generate hope, and perhaps I need to do something different right now in my K through 12 to make sure I have the skill sets coming out of that so I can go from school to career.

The **CHAIRMAN**. Thank you.

Let me ask this one last question. There is obviously a huge disconnect between the business community and the DC. school system as to what skills are necessary. The latest attempt to measure the competencies showed that about 90 percent of 10th-graders were "Below basic"—and we are going to find out tomorrow what "basic" means, but it is sort of like 2 plus 2—that is in the 10th grade. We have a huge problem if we are going to raise those levels up and make sure we get there. That is going to take a tremendous amount of effort from professional development or whatever it is. And I think one of the possibilities is the utilization of your technology to try to do that.

But this summer coming up, they are going to hold everybody up, and it is going to be one hell of a mess if we do not have a plan for how we are going to get those competencies up there.

First of all, how do we establish a connection to define what is necessary to meet the skills that are necessary and get moving on that, and then, how do we take care of these huge remedial problems that we have?

Mr. Farmer?

Mr. **FARMER**. Well, first of all, I would support cloning. If you could take the principal at Burrville Elementary and the principal

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at Hine Junior High, because these two individuals have provided such leadership, and the business community would do anything for those two principals. They bring a "no nonsense," businesslike commitment to assessing what the needed skill sets are and then go about creating them. Businesses will be more than happy to work with schools that have that kind of direct impact into the classroom.

One of the programs Partners in Technology, this not-for-profit we created, is trying to do is to try to inventory exactly what is needed, because right now, no one in the District of Columbia can tell you what schools have computers, how many they have, what condition they are in, what technical teaching ability the schools have, or if they have Internet access. That is pretty primary.

So I think that one of the first things we have got to do is to get that inventoried, and then I think you will have plenty of support from the business community to match up needs with resources once we identify what they are and once we know they are going directly into the classroom.

The CHAIRMAN. Mr. Kendall?

Mr. KENDALL. I could not agree more about the importance of strong principals in the schools. We are partners with two schools in Montgomery County with which we have had a relatively long experience. With the principal in one case, we have had the most outstanding experience you could imagine. Our employees go out and tutor, we put in equipment, and it is a wonderful experience. If the principal and the teachers are not involved and are not motivated, it does not work.

Here in the Washington, DC area, we know that the principals do need more management training and more management skills, and I am working with George Washington University, which has a program going on for the management of DC., and General Becton has encouraged his people to participate in this. I think that that is very important, to get them into this program and to get some of the management skills as well as the educational background that is necessary, because if you do not have strong principals and teachers, it just does not work.

The CHAIRMAN. Mr. Freeman?

Mr. FREEMAN. Senator, we of course at Bell Atlantic have been involved with the DC. public school system in various projects. Most recently, with Arlene Ackerman coming into the school system, and her deputy, Lois Brooks, we have had several meetings with them focused right now around our Bell Atlantic "Ideals" program, which is the one that is going to wire and schools and the libraries and provide Internet and other access in the classrooms and in the schools. That whole process will be completed in June, and that is just one, but that is going to form a critical base, because what has got to happen to address the remediation issue that you raised is that the teachers have got to become trained in the technology and be able to use the technology, become facile with the technology if they are going to be able to compress the time frames and provide the remediation in the very shortened frames we are looking at.

Those skills and that training can only be done on a school-by-school, teacher-by-teacher kind of basis. That puts unnecessary delay in the process—and I say unnecessary delay—but it has to be done if you are going to have a long-term impact here.

We have committed a bulk of the dollars that we have put aside for this project into training to do just that, because our experience has told us that all the technology in the world does not overcome someone who is either afraid or is ignorant as to how to use that technology or has not had the appropriate training to do it. If they have not had the training and the technology, it is going to be a very spotty performance to expect a student to be able to use the technology to create their basic skills. So we must focus and train these teachers.

The CHAIRMAN. Let me make a statement, and if you disagree with it, let me know. It is my understanding, looking at what is going on in Asia and Europe, that it is possible for students with the proper educational system to be able to get these jobs that are out there through a high school education if they have the proper skills taught to them and that this is not something that needs postsecondary training. Does anybody disagree with that?

Mr. FARMER. Absolutely true.

The CHAIRMAN. Everybody is saying yes. OK, thank you.

Senator Warner?

Senator WARNER. Thank you, Mr. Chairman.

Gentlemen, very quickly, I want to bring back into focus the crisis situation, namely, the thousands of job opportunities in this community and the inability to find qualified persons.

If I could address my question to Mr. Freeman and Mr. Farmer, in a minute-and-a-half, what can be done in the next year to 2 years? You have addressed in your testimony this morning the long-term problems. Is there any solution to the short-term requirement to fill these jobs right now? What can we do?

Mr. FREEMAN. Yes, there is. First, let me State that the high-tech issue, which is a very important issue, is really the proverbial tip of the iceberg, and a big tip, but underneath that are the medium- and low-tech jobs, and we need to support those. We need to focus on all three issues.

On the high-tech side, I believe you are looking at some very focused skills, computer-based training, LAN training that can be done in secondary schools and can be done in postsecondary schools, to be able to fill those $30,000 and $40,000 jobs that are going vacant in Northern Virginia and suburban Maryland right now, and I think a concerted effort need to be put on that. Clearly, we have all read that the counties—Montgomery, Prince George's, Northern Virginia, and the community colleges—are not able to turn out people fast enough to be able to fill those jobs, so we must find different ways to do that. The District of Columbia has a base of people who need the skills training, and we need to focus on that and provide these at the secondary level as well as at the post-secondary level and target them to specific jobs that need to be filled, not just sort of a high-tech kind of thing.

There have been a couple of programs that have been started that have had some success, but I think we need to broaden those. One was done here at Ballou High School.

But more importantly, from a longer-term perspective, those high-tech jobs, if you fill them, and you do not have the support people necessary to continue to provide that functioning and to fulfill those Government contracts, will fail; so you must do all three simultaneously.

Senator **WARNER**. Thank you.

Mr. Farmer?

Mr. **FARMER**. Senator, I think we really need to target, if you will, those young people entering high school and make sure we have a technology component to the curriculum so that they can get on a path that opens them up to opportunities in the high-tech industry.

I regret to say that my experience not only here in DC., but in education in general is that the curriculum has not changed with the times, and we still have an emphasis on a curriculum that perhaps is not as related to job opportunities as it should be, and I think that an emphasis on that area is crucial to the long-term filling of those jobs.

Senator **WARNER**. Mr. Chairman, I will not be able to be here on Thursday—I will be in Richmond in connection with our Governor—so I would like to ask Mr. Kendall this question. I have been associated with this community throughout my life, as my father and grandfather were both here, so I know it, and there were times when the District of Columbia flourished far better than it is today, and I am hopeful that we can bring it back. But from the standpoint of the Board of Trade, have you taken a position on the commuter tax?

Mr. **KENDALL**. As an organization——

Senator **WARNER**. Pull that mike up tight; we want everybody to hear it.

Mr. **KENDALL**. Let me start by saying that I am a product of the DC. public school system. But getting back to your question, as an organization, the Board of Trade has not taken a position on the commuter tax. We have discussed this issue, and I might just say that we believe there is a nexus between commuters and transportation funding. I think the general feeling amongst many of us is that we really ought to look for management reforms and——

Senator **WARNER**. Well, let me suggest—and I have the greatest respect and have no better personal friend than the chairman, although we have an absolute, 180-degree difference of opinion on this—that I think it is time for the Board of Trade to stand up and be counted. Look at it—you represent a wide cross-section of this community—and make a decision to help guide the Congress should this issue come before the Congress. I hope it is "No."

Thank you.

The **CHAIRMAN**. Thank you, Senator Warner. I understand the Senator's feelings on this, and while you are here, I would just give a little history as to how we got into this situation.

The District of Columbia had no prohibition about having this before the Congress began to delegate home rule. The Senators from Virginia and Maryland got together and said, "We have got to protect ourselves," and they got in the Senate a provision that said you cannot impose a commuter tax. This went to the House, and the House voted on a standing vote not to accept the Senate version; but then, when it went to conference, the Senate prevailed. So the District of Columbia has this prohibition which is a problem.

I just wanted to give a little history. I do not think Senator Warner was here at this time, but that is the history of how this started.

Senator **WARNER**. I will be here for the next decision. [Laughter.]

The **CHAIRMAN**. I would like to refresh the House's memory on that issue, anyway.

Ms. Norton?

Ms. **NORTON**. Thank you, Mr. Chairman.

I want to thank each of these three witnesses for the very strong contributions they have made to the residents of the District. The testimony has been important because the District is State-less and has suffered from not having a traditional business community. Each and every one of the cities that went down—Cleveland, New York, Philadelphia—had not only a State that was able to help them come back quickly, but a business community that had a longstanding tradition of support to the city.

Gentlemen, each and every one of you—and I think Mr. Kendall has been clear in his discussion of public support—understand that your businesses and your business prosperity—indeed, the prosperity of this region—was laid by one entity and one entity only, and that is the Federal Government. As a child growing up in this region, it was not much of a region. It was only when the Federal Government in the late fifties and early sixties began to expand that it became the most prosperous region in the country.

I am interested in exploring this notion of a public-private partnership, to get beyond the words and see whether what the Senator is after could perhaps come forward in this, recognizing the very substantial impediments.

Mr. Farmer, the person you spoke of is typical, with or without a government that works, of what has happened to the District of Columbia. Here is some youngster from Anacostia who gets training in the District of Columbia and moves to Maryland; you tell us he is now a Maryland resident. The very same thing has happened for those who even work for the District of Columbia. We cannot even tax those people with a commuter tax. They take our money, and they leave town.

We have educated, with the support almost entirely and exclusively of the District of Columbia, many who live in the suburbs, and we have no way to recoup that. I am not sure that a tax—Senator Warner asked for a short-term solution—it is a short-term solution, but I am not willing to wait for the long-term to begin to work on this problem. I therefore want to ask you about what has really become so far as I can tell a word—it is called "public-private partnership"—and I have not been able to put my hands on what that amounts to. So let me just ask a question.

We know that if a youngster comes out of a decent high school, he or she will probably be computer-literate. I mean, my son already knew those things, and he does not have to go to one of these places to learn. It was just a part of the general education.

The president has been very interested in this "ready for work," because the vast majority of American people do not go to college; and yet we are always focused on the high-profile people who do. Let me take a segment of the DC. population that fits my question.

We educate people in vocational high schools. Since the time I was growing up in this town, everyone has always talked about how the vocational schools are obsolete. They were obsolete in the old industrial society, poor things, and we bring them into the high-tech society—but of course, it has become hopeless, because it would be wasteful, positively wasteful in my judgment, for the District of Columbia or Fairfax County to try to keep up with the kind of technology you need in a classroom to train people to go out for the jobs in Fairfax County.

So I am wondering whether or not—here we go to public-private partnership—whether or not it would make sense—we know what we have in the counties—for the District of Columbia to abolish vocational schools, and if it did, admitting that no matter what its economy was, it is not about to be able to bring in the kind of high-tech stuff every year to train people to state-of-the-art—suppose we abolish vocational schools in order to take this group of youngsters—let's say we are able to get them literate enough—and we have certainly failed at that—but let us say we are able to get them to eighth-grade reading and computation levels. Would there be a public-private partnership that would enable these kids to continue to go through high school—recognizing that they are not interested in college, or at least not at this point—would there be a way, if we abolished the vocational schools, to use that money, working with the private sector, in order to quickly get these youngsters to the point where they learn what you have to learn to get at least some of the jobs that you have spoken about this morning?

Mr. FARMER. Well, I can only speak for myself, but I think that if you abolished voc ed, it would be a step in the right direction. Rightly or wrongly, the optics and the perception of voc ed is one that is a concept out of date.

I think there are two things that are required to have the kind of public-private partnership you need, and I do not mean any disrespect toward anybody in saying this. But there has got to be something done in the administration of the educational system so that dollars, technology, equipment are going to get to the students.

There is a mind-set—and I happen to believe it—where many people believe that many dollars are simply squandered on education, not only here in the District of Columbia, but in the country as a whole. I come from Florida, and I used to joke that the second-largest building in the State after the Capitol was the Department of Education, and school boards often have very high administrative overhead.

I think if there could be a commitment of "x" number of dollars into the classroom that you would have the kind of private sector rallying and support—and, I might add, voter support—to actually make the kinds of changes and get the kind of commitment we need from the private sector.

Ms. Norton. Mr. Farmer and others who may want to answer this question, I really mean something very specific. Youngsters would continue to go to high school, perhaps to the same area, a Washington high school or whatever high school they go to, except that during the hours when they would be in whatever as voc ed, they would have to go into the companies. They could not find that here, because it is hopeless to keep up, so during those hours—and these youngsters, understand, do have hours when they do pen and pencil, conceptual thinking, intellectual skills, learn history and the rest of it—but during the rest of the day, those youngsters are in something called "voc ed." What I am suggesting and what I am asking is whether it would make sense for those youngsters to continue to do that part of their education that is intellectual and conceptual, that everybody needs in any case, and the hours that they now spend in vocational education would be spent in companies such as the companies you have described.

Mr. **Freeman**. I think that basically, what you are describing is what needs to take place, and that is a curriculum overhaul; that you have got to begin to segment and identify the skill sets that are going to be marketable skill sets, beyond the critical thinking and the other kinds of things, but what are the marketable skill sets that every child needs coming out of a formal process of education.

The public-private partnership there is critical in terms of formulating what that is. That cannot be left purely to the schools and the academics to figure out; that cannot be left up to the private sector to make some kind of pronouncement and expect it to be done. That is where the essence of the public-private partnership has got to take place. What are those critical skill sets? What are the types of job experiences or work experiences that students need to go through to be able to refine and to practice those skill sets, and how do you build that into a curriculum that says when you graduate from this high school, if you choose to go on to college later on, you will be eligible to do that, you will have met all the criteria; if you choose to go to work right away, you will have a skill that is marketable, and you can get into work right away.

That is something that is very foreign to the entire education process in this country at this point in time. This education process does not teach the American free enterprise system; it does not teach one how to be able to move into the marketplace. That has always been expected to be the province of the private sector employer or the Government employer or whomever the employer is going to be, to train you in the skill sets you need once you get beyond that critical core of thinking in math and writing. That is a very profound change and a very significant change. Whether or not the money would be available, and you could simply take the dollars that are spent in voc ed right now—I do not know how much that is—and transfer them into this kind of a program, I do not know, but I will say that that curriculum change needs to happen and needs to take place.

Ms. Norton. Thank you.

Mr. Kendall?

Mr. **Kendall**. To address your specific question, I am not sure I would be so quick to drop voc ed, but what I think is needed in vocational education or other kinds of education, and it is one of the things I mentioned in the study of the Board of Trade, is that there ar reading, writing and arithmetic skills as the 3 R's, but there is another one today, and that is technology skills. I mentioned that we were trying to establish a profile, and I think you alluded to it, as did Bill here in these conversations. But we need to get those skills, and the skills are a little different for a department store clerk or an automobile mechanic, but they are real.

If you have a good educational system, including vocational education, and you identify these skills, and you set criteria and measure against them, and people come out with these skills, I think you are going to get more people in the workplace by adhering to that kind of a structured program and demanding that they come out with the essential skills that are identified.

If you have the school system working against it, have the businesses identify what they are, and let those people who are out of the school system in adult education come in and fill in the gaps so there are meaningful criteria that everyone can judge, and no matter where the school system is, that they measure the results and the businesses measure the results, I think it would help this region and the citizens of Washington, DC a great deal. If we could establish those and work against them very diligently, it would be the most effective way to address this problem.

Ms. Norton. Mr. Chairman, could I ask one more question that has to do with a clarification about what kinds of jobs are in fact available. I mean, really, the discussion of unfilled jobs in the District of Columbia metropolitan area is so generic, and I really do not have a handle on that.

The Washington Post within the last couple of months did a very deep series on high-tech jobs in the region, and I was surprised—and this was very dense, and I read this series, which may have been a 3-day series, very carefully—the bottom line in this series was that the people they cannot find are the people in the most rarified parts of high-tech—these are people you could not find anywhere in the country, and this is why we are importing people. I was shocked at that, because the impression created was that we cannot find anybody who knows word processing.

I would like your assessment of where the need is. Do we have lots of entry-level technology jobs we cannot fill even in the region—because remember, the people who are mostly competing for those jobs do not come from DC anyway—are we unable to fill entry-level technology jobs in the region; are we unable to fill intermediate jobs? I mean, their discussion of the jobs at the top was extraordinary, that the people who have those skills hire themselves out, they work for consultant firms because there are so few of them to go around, they can get top dollar. So I really do not know what we are talking about here, and using this word does not help me to help my constituents to know what we are talking about.

If, for example, my youngsters were computer-literate and ready for entry-level jobs competing with youngsters in Fairfax, Montgomery and Prince George's, would they find there is plenty of room for everybody over there, or what is it that they need to get ready for?

Mr. Farmer. Well, I can tell you that Nortel has hired over 100 Capital Commitment graduates in the last 4 years, putting them in good-paying, entry-level jobs, most of whom have already advanced to even better-paying jobs. That is just one program that I am personally familiar with. I know that those people are now working.

I cannot do an assessment of the area, because technology and the industry is just too diffused to be able to intelligently answer that question. But I can tell you from personal association with Capital Commitment that almost all of their graduates get job. I cannot believe if we doubled the number of graduates that they had that those people would not also get jobs.

Mr. KENDALL. I might say that we are a Government contractor and have throughout the United States almost 4,000 employees, of which about 1,500 are in this area. And I happen to agree with you—we are part of those Washington Post ads, those nice, big ads, and they are all for high-tech people for the most part. I think your concern is a valid one. I do know that from time to time, we have a hard time bringing in a good secretary or this or that, but the real shortage of jobs are for technology companies.

I might say that the Federal Government is a significant contributor to this problem, because when we bid jobs, we could put somebody out there as an entry-level person, but the requirements are for 3 years' experience and a college degree. And then, we do not have an opportunity, even though we know that person could go in and do a good job, but we cannot meet the requirements of our Federal Government contracts. And I think that that is something that should be looked at if you really want to do this, where there is a reasonable approach to bring in entry-level people. We do this with all of our commercial concerns; we bring people in at all levels with minimum training and bring them along 3 years later. But it is very difficult on Government contracts.

The CHAIRMAN. I have to say that Mr. Daniels will be testifying tomorrow and I think will be quite helpful on that question.

Just so I do not remain silent on the question of doing away with vocational education, I would say that I think it is mainly a disconnect between vocational education and what the real world needs that has been the problem. We are still training people for things because they have been trained for them for 100 years, such as how to repair a flat tire or whatever. We just do not provide the skills, and we cannot really provide the skills for each individual type of job which is best-served by cooperation between the business community and the school community. We have also got to remember that we have rural areas where we may not have any jobs, so you have got to have a system which will teach the basic skills, because there are not enough businesses to be able to provide that. But it is a thoughtful comment and certainly one we should think about in making sure that we are relevant to what the kids need.

That is the biggest thing in education is to be relevant. If you are not teaching things which are relevant to the students to help them get jobs, they do not concentrate on it. That is the problem we have with our "forgotten half," as they are referred to, or the young people out there who are drifting through the school system—they are not learning any skills that are relevant to them. But I will tell you, if you show them the skills they can get that will get them a $20,000, $30,000 or $40,000 a year job, they will get very interested, and there is evidence of that around the country in certain areas that have provided that relevance. We concentrate too much on the college-bound and not enough on those who are desirous of going immediately into work with some good training.

Thank you all very much for your very, very excellent testimony. We deeply appreciate your cooperation and help here today.

The CHAIRMAN. We have one more panel, and I hope to finish, going right on through. So if anybody has a "Big Mac attack" or something and wants to protest us continuing on, please let me know; otherwise, we will continue with our next panel.

Our second panel will discuss the importance of regionalism from the perspective of local governments and academic and training institutions in cooperation. We have some excellent testimony coming up.

Ms. Ruth Crone is executive director of the Metropolitan Washington Council of Governments, a regional organization of 18 local area governments in Maryland, Virginia, and the District of Columbia, as well as their State and Federal representative. The Council provides regional responses for a variety of policy areas including economic development and human services. Ms. Crone has directed the Council since 1991 but has been with the organization since 1969 and has a profound understanding of local issues.

Ms. Crone, I have read your testimony, and it is very helpful. Please proceed.

STATEMENTS OF RUTH R. CRONE, EXECUTIVE DIRECTOR, METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS; ROBERT PARILLA, PRESIDENT, MONTGOMERY COLLEGE; AND PAUL E. HARRINGTON, ASSOCIATE DIRECTOR, CENTER FOR LABOR MARKET STUDIES, NORTHEASTERN UNIVERSITY

Ms. CRONE. Good morning, Senator Jeffords. I thank you for permitting me to represent the Metropolitan Washington Council of Governments at this important hearing today. I applaud the chairman and the committee for their leadership in seeking regional solutions to challenge facing the Washington metropolitan area.

The Council of Governments, which celebrates its 40th anniversary this year, has long posted a record of accomplishments by seeking consensus on tough public policy issues and working together as a region to improve the lives of area residents.

Senator Warner, who is a member of this committee, along with the entire Washington area delegation, including Congresswoman Norton, are also members of the Council of Governments and have been strong supporters of COG, and I think we are indeed fortunate to have such allies in the cause of regionalism.

In preparing for today's hearing, I noted that your committee is composed of Senators from 18 different States, large and small, from every corner of the Nation. In almost all of those 18 States, communities have turned to regional councils, sometimes called metropolitan planning organizations, to address and resolve a wide range of public policy issues.

The Washington metropolitan area is no different and has for 40 years looked to the Council of Governments to help meet our region's highway and transit needs, to help our air and water become clean and safe, protect public health and promote public safety.

I firmly believe that that same tool of regionalism that Federal, State and local governments have turned to so often in the past for other tasks could also be effectively used to address the subject of your hearing today—economic development and the special needs for workforce preparation and training.

Why does a regional approach hold out hope for addressing the many economic development and workforce preparation challenges facing the Washington metropolitan area? I believe there are three fundamental reasons.

First is a clear recognition that we all live and work in a single economic market. The political boundaries between and among the District, suburban Maryland and Northern Virginia all but disappear when you examine our region's job market. Area workers routinely travel from the District to Alexandria, from Prince George's County to Montgomery County, from Fairfax County to the District, in every possible combination, to access the almost 2.5 million jobs in our region today.

The second reason is the recognition that at present and for the foreseeable future, the bulk of job growth is likely to occur in the suburbs, and often in areas not easily accessed by public transportation. COG projects that the number of jobs in our region will grow 43 percent between 1990 and the year 2020, with the greatest percentage increases in the outer suburbs of Virginia and Maryland rising by more than 119 percent. Yet the District of Columbia and many of our older, inner suburban communities have untapped reservoirs of labor that have not yet fully participated in our region's prosperity.

The third reason is the recognition that to be successful, economic development and workforce preparation efforts must involve a wide spectrum of Federal, State and local agencies, the private sector and nonprofit organizations. These partners in turn must ensure that transportation, job training and referral, and social services are provided to clients that mesh in an effective and efficient manner. I can think of no other public policy challenge better suited to a regional approach than that which you are speaking about today.

I believe that human capital is the key to our region's economic development. But the single economic market, suburbanization of jobs, and diversity of partners found in the Washington metropolitan area call for new mechanisms and linkages to ensure that our workers and young people can fully share in the region's prosperity.

To this end, COG has sought to engage our region, its elected officials, its transportation agencies, private industry councils and human services agencies in a dialogue on ways that we might work together to promote access to jobs to underserved populations in the District and throughout our region.

COG does not seek to tell communities, local governments, transportation agencies, private industry councils or social services agencies how they must respond to this challenge. Clearly, one size does not fit all, and it does not work in a diverse and complex tri-State region such as ours. However, we believe that COG can help and should play an important role in helping to establish a comprehensive and coordinated approach to access to jobs that makes the most efficient use of scarce resources and promotes economic opportunity and growth.

COG has found a wealth of promising economic development initiatives underway or planned that focus on providing improved job training and referral linkages, often coupled with critical transportation service and social services, such as child care. Many of these local, State and private sector efforts have risen as a result of new Federal programs sponsored by HUD, DOT, the Department of Labor and HHS, and the sweeping welfare reform legislation recently enacted by Congress. Each of these initiatives has a central goal of enhanced economic development through improved access to jobs.

Finally, we have described the access to jobs issue in a paradigm which is really three linking and overlapping circles—transportation, workforce development, and human services. Each circle may also represent multiple partners and linkages, but if our access to jobs efforts are to be efficient and effective, transportation, workforce development and human services also must interrelate.

I believe your hearings this week will serve as a catalyst for using the tool of regionalism to begin to comprehensively address the economic development needs of the Washington metropolitan area. Last summer, COG convened a small but very enthusiastic group of transportation, workforce development and human services organizations to begin a dialogue on how our region might better coordinate the various access to jobs initiatives either underway or planned. Since that time, we have talked with representatives from the Washington Metropolitan Area Transit Authority, DC Agenda, which you heard about on the previous panel, and the United Planning Organization and a number of other local and regional organizations that share our interest in this issue and seek to work together.

Tomorrow I will be briefing the COG board of directors on our research and outreach efforts, recommending that our organization, in partnership with other regional leaders in economic and workforce development, host a forum on this important issue this spring. COG's incoming board chair is DC. Council Member Charlene Drew Jarvis, and she has expressed long interest and has been very active in advancing regional economic and workforce objectives, and I know she is quite eager to work with us on this initiative.

The purpose of the forum would be to clearly outline regional and local incentives centered on economic development and access to jobs, focusing on the overlapping circles of transportation, workforce development and human services. The outcome we hope will be a more formal agreement or mechanism enabling our region to embrace these shared goals on access to jobs and to put in place some common action strategies.

Without exception, representatives of each of the organizations that we have contacted to date have expressed strong support for regional collaboration—you have heard that today—on t his important topic and recognize that our region and our workforce will be better prepared for the highly competitive job environment in the 21st century if we move with thoughtful dispatch.

I believe this committee can and should play al central role in strengthening the linkages between economic development policies and workforce preparation strategies. I can think of no better testing ground for these efforts than the Washington metropolitan area.

Congress, which has on a bipartisan basis focused tremendous energy and resources on the challenges facing the District of Columbia, has an opportunity to turn to a tool you have successfully used in the past in addressing transportation and air quality issues—regionalism—to enhance economic development and workforce preparation needs in the District and the region as a whole.

I would hope this committee would consider establishing a demonstration initiative in the Washington metropolitan area. If enacted, such an initiative would provide incentives to the diverse partners in our region to work together, sharing strategies and resources where appropriate, to promote economic development through expanded, enhanced and coordinated workforce preparation.

I believe a regional approach to training and workforce preparation holds great promise for the entire Washington metropolitan area, which is home to a strong and growing high-technology job sector. Nearly half of our job growth anticipated for the year 2020 will be found in service industries such as engineering, computer and data processing, business services, and medical research. Such an effort would likely be well-received by the private sector and could more easily meet our labor market needs without having to negotiate diverse and often conflicting program requirements that are offered by three States and numerous nonprofit organizations in our region.

Further, a demonstration program in the Washington metropolitan area would afford the Federal Government the opportunity to become a full and active partner in this area. Separate programs are now being sponsored by HUD, DOT, the Departments of Labor and HHS to address the welfare-to-work and workforce development needs. I believe they could benefit from a better-coordinated, unified approach, with the Federal Government providing the necessary oversight and stimulus for creative and cost-effective collaboration—again, an opportunity to provide a demonstration in our region.

The regional dimension to our economic market here in the Washington area, the suburbanization of jobs and the diversity of partners in those efforts call for a new, integrated and regional approach. I am hopeful that following your 3 days of hearings, the committee will also reach that conclusion and will turn in partnership to the Council of Governments, our local governments, the private sector, nonprofits and others to help to put together the mechanisms and strategies that I have spoken about this morning.

Mr. Chairman, this concludes my testimony. In addition to my remarks, I have submitted some additional information for the hearing record, and I am certainly available to respond to questions now or at the conclusion of the panel's testimony.

The CHAIRMAN. That will be made a part of the record, and I have gone through it and have certainly gained from it and appreciate very much your testimony.

[The prepared statement of Ms. Crone may be found in the appendix.]

The CHAIRMAN. Dr. Robert Parilla also brings to this hearing a longstanding perspective regarding local issues as the distinguished president of Montgomery College since 1979. The second-largest community college system in Maryland, Montgomery College serves over 20,000 students in four credit programs and another 16,000 in noncredit programs. Dr. Parilla is a member of the Education Directorate and Human Resources Advisory Committee of the National Science Foundation, the Montgomery County Executive's Economic Development Advisory Committee, and a board member of the High-Technology Council of Maryland.

We are deeply appreciative of your attendance today. Please proceed.

Mr. PARILLA. Thank you, Mr. Chairman. Good morning to you and to Congresswoman Norton.

I appreciate the opportunity to be with you this morning and to speak briefly about education and its importance to workforce development and especially to the role of community colleges.

We are all aware, as you pointed out in your introductory remarks and as others have mentioned, that the business and industry of this region indicate that there are thousands of jobs, many of them in the technology area, that are going unfilled because of the lack of skill on the part of some of our workers.We hear the same kinds of concerns in our local community. Not more than a few months ago, the Montgomery County Chamber of Commerce did a survey and found that there were many, many jobs going unfilled.

We certainly want to indicate that a major priority for us and others in the public and private support for state-of-the-art technology is funding, but nevertheless that is not the issue that I want to deal with today.

We have a number of programs that assist us with funding; we realize that it is critical in terms of equipment. People once said that the half-life of computers was approximately 3 years, but I think Intel is indicating that the life of a chip nowadays is 12 months, and consequently, the speed and the power of PCs, which make available faster and bigger software programs, give us particular problems in the area of training and technology.

But I do not want to spend the time talking about the fact that funding is an issue. The fact of the matter is that even with all the jobs going begging in a sense, as we look at The Washington Post ads or other ads, fewer and fewer young people are choosing to study in the technologies or in the sciences. Just this week's Chronicle of Higher Education is indicating that there are fewer people majoring in computer sciences. The article gives some indication that some young folks think that perhaps it is a "nerdy" profession. I am not sure that that is the case. My own belief is that often, we do not give our youngsters, either as parents or as teachers or as others in the community, a strong enough understanding of the world of work in all its complexities and what is available in the technologies.

I would like, though, to spend a little more time this morning indicating that the issues that I think we face are much larger than perhaps many realize or perhaps than many are willing to discuss. I do not believe that we will solve the issues with short-term programs or processes. Certainly in the short term, we can do things such as retraining those who have perhaps old skills and bring them up-to-date. Certainly we can, as has been indicated in prior testimony, prepare some people for entry-level work. But it seems to me that the issue is deeper. It is a systemic issue, and I think we have got to work hard at accomplishing that kind of change.

I often use some personal experience. I happened to have been a high school student in the 1950's when far fewer than 20 percent of America's high school graduates went on to college. It was true in the 1950's that if we just had a general education, we could go to work in my home area, which happened to be Northeast Ohio, in one of the steel plants or in a fabricating plant or for the railroads and earn a good living, have a house and car and raise a family and have them educated.

The fact is that that is not available to our young people today, and systemically, I think our educational systems, our Government and our communities must realize that we have got to commit to educating all of our youngsters. It is not just the brightest and the best who are somehow identified early; it is the fact that everyone can learn. We have got to help build a perspective among families and among the young people that they in fact can learn. There have been too many, it seems to me, experiences that give a person a negative self-perception or self-concept, and that to me is inappropriate.

There are things that can be done. I would use a couple of examples of what we are trying to do with Montgomery College and the Montgomery County public schools. We realized that many of the students were coming to us with about a 7th or 8th grade reading level. We realized that in some instances, children were coming without an ability to understand even basic algebra and/or write at a reasonable level. This was not true across the board, but it was true of a large number of individuals.

We have partnered with the public schools whereby, as early as the 10th grade, a college entrance exam called PASS, which is developed for 10th-graders is administered in the 10th grade. The college and the public school counselors help work with the youngsters to have them understand what their shortcomings are in math, in reading and in writing, so that in fact they still have 2 years-plus to in a sense remediate any background problems in that area. That is just one example, but it does seem to me it is a specific step that we need to understand that there need to be progress points that should be assessed during a youngster's progress through the public schools, and that assessment ought not be used, it seems to me, simply to grade a school and to point fingers at a school and say that you are not doing well. It seems to me it is information for parents and for youngsters to begin to take a little more responsibility for their own education as well as trying to say that the school system must improve.

Another thing that we try to do with the public schools with my college is that we have an "enrichment day" a couple of days a year, where we bring students from the public schools onto the college campus so they can see what college courses are like, so they can tinker in the sciences, so they can get involved with college faculty and understand that that is something that they need to begin to plan on and think about and not just think about on the day they graduate from high school.

In conjunction with that, we do something that is done in the middle schools that we call "Kids' College." It is done in the summertime, and we bring youngsters up to about 12 years of age onto the campus for similar kinds of enriching experiences.

I think that rather than simply colleges and universities criticizing the public schools, we really need to develop a partnership with them.

A second area that I would like to talk about is that when in fact skill sets are developed—and I think Mr. Kendall talked about that with the Washington Board of Trade; we know that in Montgomery County, the Workforce Development Board and others are developing so-called skill sets. They have been developed before. I think the SCANS 2000 report did some of that, and there have been States that have looked at jobs in minute detail to determine the kinds of skills that are necessary.

In addition to trying to teach people technology, in every instance, people say that we must improve people's work ethic, people's work habits, interpersonal skills, ability to adjust as work conditions and work knowledge need to adjust, and I submit that much of that has got to begin in the home and in the community, and certainly the schools can assist in that process. But just last week, as a member of the County Executive's Economic Advisory Council, he sponsored a roundtable of small business entrepreneurs from the county to talk about what they felt they needed to be more prosperous in their business areas. And to a person—there were around 20 individuals there—they talked about the fact that the so-called general or soft skills were beginning to decline in their entry-level workers.

So I think that while we want to focus on information technology and biotechnology and telecommunications, because they are the significant skills for jobs, we have got to understand that what makes a person really productive in a jobs is sometimes these softer skills.

The third thing that I would mention with respect to careers and as a technician is that we just have to have a much better acceptance, understanding, commitment to and participation in technology education. People in Montgomery County, as an example, will talk quite a bit about the importance of technicians and the need for technicians to maintain our infrastructure, to maintain much of our businesses, but you do not find too many parents who are willing to say to a son or daughter, "We think you ought to be a computer technician," or "We think you ought to be a technician in one of our service industries." They are good-paying jobs. Automotive technicians today do not change oil and sparkplugs. As I think I mentioned in my written testimony, today's automobiles have more computer technology in them than the spaceship that

Senator Glenn rode in space, and it is difficult work. We have got to have youngsters come into those programs who can read and write and understand algebra and some manipulative skills with respect to equipment.

We raised funds in the private sector to build a technology center on our Rockville Campus, and we put it right on Route 355 so that it would be seen by the public and so the public hopefully would understand that there is value and there is dignity and worth in becoming at technician. I think that it is a message that we constantly have to tell to the public.]

In addition to that, we build a high-tech and science center on the Germantown Campus, and most of the equipment in that facility was raised from corporation contributions from the high-tech businesses in this region.

Other things that we do to try to encourage more folks to get involved in the area of partnerships include something called Minorities and Women in Engineering, Science and Technology. We understand from all the data that the National Science Foundation makes available that far too few individuals who are women or minorities choose to study in that area, usually because the field has not been very open and welcoming to them.

We have a program that is funded by the Bechtel Corporation, where we actually expend additional efforts to support and counsel women and young minority men into the sciences and engineering and technology, and it is a very successful program. What it really means is that we have got to go an extra step, an extra mile, to let people know that they are valued, that they do have capabilities, and that in fact they can be successful in a technical career.

There are other kinds of partnerships that I believe are important if we are to succeed. Mr. Kendall was here this morning; we have partnered with his company, CDSI, in that they did not have enough certified network engineers to fulfill some of the applications for various Federal contracts that they were working on or bidding on, and we put together a program for them in a matter of months, and in fact, about 110 CDSI employees went through the certified network engineering program with us.

We do other kinds of things. Hughes Network Systems in our county has recognized that one way for them to get better-prepared technicians is to promote people from within, so that we have helped them, through various kinds of assessment techniques, to identify people at entry level who have the skills and the interest to move beyond that, and then work with them to provide training programs that will help their own employees prepare for the next level job.

It is a difficult area. We understand, as I think Congresswoman Norton mentioned, that the ads are full of requests for people who know JAVA, UNEX or C-Plus-Plus or Oracle Database and so on, and that is expensive. A lab to train people in that area is at least a quarter million dollars, and then, the issue of making sure that you have faculty members who are trained and prepared in that area is not a small one. We do it. We have labs in those areas, and it is because we partner with the local businesses, who help us with equipment, who help us when necessary find the faculty and/or train our own faculty.

I would be glad to expand on any of those points, Mr. Chairman, and Congresswoman Norton. That concludes my testimony, and again, I appreciate the opportunity to be here.

The CHAIRMAN. Thank you very much.

[The prepared statement of Mr. Parilla may be found in the appendix.]

The CHAIRMAN. Our third witness is Dr. Paul Harrington, who is an expert on local issues as well, but of a different locality. He is associate director of the Center for Labor Market Studies at Northeastern University and examines a wide variety of employment, training, welfare and human resources issues facing New England, which happens to be well-represented on this committee.

Dr. Harrington has also been working closely with my home State of Vermont on various workforce development initiatives. He is here today to tell us about how the great Northeast has taken a regional approach to economic development and its success in so doing.

It is a pleasure to have you here, and I just want to note that our hearing is involved with the implications of these issues across the country, so I wanted to have someone here whom I value and know is leading efforts in the areas of New England.

Please proceed.

Mr. HARRINGTON. Thank you, Mr. Chairman.

In preparation for my testimony this morning, I prepared a brief paper with my colleague Neeta Fogg entitled, "Employment Access and Human Resource Development in the Metropolitan Washington area." And if you might indulge me, Senator, I would like to use the overhead projector to take you through some data.

The CHAIRMAN. Yes, sure. Please feel free.

Mr. HARRINGTON. There have been a number of efforts in New England designed to more closely tie the nature of education and training programs to the demands of the State and local labor market, and where all of this really begins in my mind is really getting some understanding about what the nature of job growth and employment opportunities is within these areas.

We have taken a look at the nature of job growth in the suburban Washington area and the suburban components of Washington and then also within the city itself. We are going to take a look at three distinct time periods with respect to job growth and change in the area.

The way to read this chart, Senator, is that back in September of 1983, we had about 1.6 million jobs in the greater metropolitan Washington area, and by September of 1989, we were up to about 2.2 million jobs, so we added about 586,000 jobs. So this was very rapid growth, about a 35 percent increase, in overall employment levels.

The reason why I picked this period of time is, of course, because in New England, that was sort of our "miracle" period. You all will remember that the period from 1983 to 1989 was a period of very rapid job growth in New England; things were so good that we were sending people down here to run for President of the United States.

But when you take a look at what happened here, the rate of employment growth in this region of the Nation was actually double that which we experienced in New England. Payrolls rose by 35 percent here and only rose by about 17 or 18 percent within the New England region.

When you take a look within this area relative to what has happened in the city versus outside the city, it is a much more mixed story. Within the city, employment grew by about 87,000 job, about 14 percent—a pretty good performance relative to the New England standard, but compared to the suburban areas, very sluggish. We added 500,000 jobs in the suburban area in 6 years, and employment increased by about 50 percent over that period of time.

Finally, when you take a look at this table, a very large fraction of all the new jobs we generated were in what is called the services industry as well as in public administration. Between 1983 and 1988, about 250,000 out of those 500,000 jobs went into services, and another 50,000 were in public administration. The hallmark of both of those industries is their very intensive use of professional, technical, managerial and high-level sales workers, i.e., college labor market workers, college graduates, people with some type of postsecondary education.

The second period of time we want to take a look at was a period of deep recession that really had very powerful impacts in the New England region, and which in large measure I think this area was somewhat more insulated from. Between September if 1989 and September of 1991, certainly New England and the Northeast entered into their worst period of economic loss since the Great Depression. States like Massachusetts, Connecticut, Rhode Island, New York and New Jersey lost in the area of 9 to 11 percent of their employment in a period of 24 to 36 months, depending on the State. So there was really massive job loss that occurred in those areas.

When you take a look at what happened in the greater Washington area, employment only fell by about 2.5 percent overall within the region, so it was largely insulated from the worst effects of the economic recession that impacted both the Northeast as well as a number of the West Coast States as well.

When you take a look inside the city, it is a very interesting story. Washington, DC proper lost very few jobs. Employment only fell by about 6 percent over this period of time, and public administration, Government jobs, actually rose by 5,400 jobs during this period. The suburban Washington area actually lost about 48,000 jobs; the higher fraction of all the jobs there, of course, were concentrated in private sector employment, so as their economy crashed, we were going to feel some pain in that part of this region.

The third period of time we want to take a look at is the current economic recovery, and this region has done pretty well with respect to job growth over this period of time. Wage and salary employment in the region grew by about 290,000 jobs between September of 1991 and September of 1997. Two-thirds of those jobs being created now are in the services industry—professional, technical, managerial, high-level sales occupations. So that a very high fraction of all the new demand for labor within this area in general is at the college labor market level. When you take a look at the structure of unemployment rates in the area, it is no surprise that the unemployment rates among college graduates are in the 1.5 to

2 percent range. If we go back and take a look at high school graduate and high school dropout unemployment rates, those rates have not come down in the way we might have hoped given this overall increase that we have experienced in employment levels. What that suggests is a growing structural problem with respect to job access in the area. The economic problem, as far as I can see, is not so much a job deficit problem but quite the contrary. What we really have is a fundamental mismatch, almost a tale of two cities, between what is happening in suburban Washington and what is happening in central city Washington.

When you take a look at the next set of data, you will see what I mean. Here is suburban, at the very bottom of the table. Suburban Washington adds 355,000 jobs between 1991 and 1997. Payroll employment grew by almost one-quarter over that period of time. During exactly the same period of time, the DC. economy loses 65,000 jobs. One out of 10 jobs was lost in the city over that period of time. So it is a tremendous, tremendous paradox that is occurring within the greater Washington area.

On the one hand, the outer suburban areas are growing at an extraordinarily rapid pace, adding very high-end jobs associated with services and public administration. Then, we added about 185,000 service jobs and about 42,000 Government jobs over this period of time, as central city Washington actually lost about 52,000 Government jobs, leading the bulk of employment decline within the city.

The result of this is that there are two kinds of adjustments occurring, and it is very interesting when you compare this to New England. In New England, we have had some pretty good payroll employment growth over the lats 3 or 4 years. Our labor shortage problem in New England is really much more associated not with very rapid rates of increase in employment levels, but with very slow labor force growth. Particularly southern New England is a very expensive place to live, and as a result, when we get job growth, it is expensive for young adults with high skill levels to move into the region.

So we have a labor shortage up there really caused a little bit less by the demand side and maybe more concentrated on the supply side.

In the greater Washington area, it is a very interesting story. Like much of the rest of the country that is growing at a very rapid pace—we are adding lots of jobs—Washington has relied on supplying those jobs largely through in-migration from other parts of the country and other parts of the world. Between 1991 and 1997, the size of the suburban Washington labor force has increased by almost one-fifth. So we are getting very rapid growth in the overall size of the labor force.

So that as you create jobs, it is sort of "field of dreams" economics—if you make jobs, individuals will migrate to the area and in fact get access to those jobs.

Within the District, the size of the labor force has actually fallen over this period of time. The labor force is down in the District by about 8 percent between 1991 and 1997. A more interesting finding with respect to those who are in the District labor force and who have stayed within the city is that about one-quarter of District residents now that are employed actually work in suburban areas.

So that job growth and suburban job access now are extraordinarily important sources of income and mobility for District residents as well.

When you take a look at this data, and you say okay, we have some understanding about the nature of job growth—very high-end, within the area, lots of professional, technical and managerial jobs—and we have seen adjustments in that as college enrollments in not just the area, but in the Nation as a whole, have risen pretty sharply, well, the question is that not everyone does go to college, and what happens to people who do not have access to these sets of employment opportunities.

And when you take a look at the data, this is data on a number of characteristics of residents of the city of Washington, and what I tried to do was break the city up into different kinds of neighborhoods starting from the very poorest neighborhoods up to the most affluent neighborhoods, and the way I ranked these neighborhoods was on the concentration of poverty that we found within each one of these neighborhood areas.

So the way to read this table is that at one extreme, we had a population of about 20,000 persons who lived in neighborhoods where the poverty rate was over 40 percent. These are areas of extraordinarily concentrated poverty, very intense poverty problems within these areas. And when you look at the characteristics of individuals who reside in these areas, three things really come to fore.

One is that individuals in these very high-poverty neighborhoods have very low attachment to the job market; they are very unlikely to work. The probability of an adult working in these neighborhoods is under 4 in 10. These are neighborhoods where work is not the daily activity that adults undertake. The majority of adults in these neighborhoods do not undertake a work experience activity.

The second hallmark that we find in these neighborhoods is that about 52 percent of all the residents of the very low-income neighborhoods within the city are high school dropouts and have not been able to finish high school, and a strong correlate of that is very low levels of basic skill proficiencies.

A third hallmark of individuals who reside in these very high-poverty neighborhoods is associated with the family structure of individuals within those neighborhoods. Eight out of ten of those families who reside in those very high-poverty neighborhoods within the city will find themselves in female-headed families with no spouse present. So that in those households, their ability to take advantage of whatever job opportunities are available is diminished for three reasons. One is we do not have the presence of multiple adults who could supply lots of hours of labor supply to bolster family income. Second, we have very large educational deficits within those low-income neighborhoods that really inhibit the job access of these individuals to the best sets of jobs that are being created within the regional economy. And the third phenomenon that we observe from this data is that these individuals themselves have very poor labor force attachment, so that the gains associated with work experience itself are not available to individuals within these neighborhoods, particularly youngsters. And when you take a look at the findings on youngsters in these neighborhoods, the

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gap between the work experience of kids in the low-income neighborhoods in the city and the work experience of kids in the suburbs is enormous. And these kids pay a long-term consequential price for this over their working lives.

When we look at the high-poverty neighborhoods in the city, one out of five kids in those neighborhoods—actually, it is a little bit lower than that—more likely one out of six kids in the low-income neighborhoods in the city will have a job. Among their suburban counterparts, that proportion will be about 55 percent.

When we go back and Congress goes back to try to figure out what is the contribution of kids just working—never mind the kind of job—what is the contribution of kids just working when they are young with respect to their long-term employment earnings experiences, the contributions of early work experience are extremely important. Whether a kid works in a McDonald's or at a high-tech firm, just the activity of engaging in a work experience itself is an extraordinarily important outcome for that individual to experience.

So that as this committee thinks through how to set up activities that need to be undertaken with respect to bolstering employment earnings experiences for adults and particularly youngsters in the city, it seems to me that it needs to consider three things. One is that, as you have heard this morning, literacy proficiencies are the sine qua non for economic success in the area, and in the absence of developing strong reading, writing and math proficiencies, our ability to bring youngsters up will be diminished.

The second thing, though, that is very clear is that the job content of this economy swings to the service sector because the demand for occupational proficiencies will rise very sharply. One of the hallmarks of service firms, whether they like to admit it or not, Senator, is that they invest less in their workers than do manufacturing firms. Service firms demand that more occupational proficiencies be brought to the firm in order for a hire to occur. That is why you see very large fractions of youngsters enrolling in post-secondary programs to get access to specific kinds of occupational proficiencies in health, in technology and the like.

But the third thing that really matters tremendously for youngsters is early job access, the ability to broker youngsters at the age of 15, 16, 17 years old into jobs which they would not ordinarily have access to is a set of strategies that can give kids long-term employment earnings advantages that can make a powerful difference with respect to their long-term earnings experiences.

The rest of my comments are written out, and I appreciate the time. Thank you.

[The prepared statement of Mr. Harrington may be found in the appendix.]

The CHAIRMAN. Thank you. That was very helpful and somewhat discouraging testimony, but anyway, I deeply appreciate your coming today and helping us.

I would like to now take a look at what we can try to do to correct some of the problems which are delineated. Let me ask Ruth first what education and workforce development collaboration exists among your member governments, and are there any plans for other collaborative projects?

Ms. CRONE. We are really, I think, in the very embryonic stages of the discussions that we have had today among our member governments, and what I would look forward to is some catalysts that this committee might provide, and others, to bring together what we have heard a great deal about this morning and I know you will in your future panels, those opportunities with the private sector, the nonprofits, the many, many successful projects we have underway, like Capital Commitment. I have been, with the councilwoman from the District of Columbia whose ward it is in, a guest of that facility. We have gems here. We have an awful lot to be positive about, in addition to some of the unfortunate information that we have had to listen to this morning, that I think would really bolster the opportunities to have more collaborative efforts. But we need to do things a little less traditionally, and I think that that is what our member governments might like to discuss, and that is why we are proposing that we have this forum in the spring to take a look at this issue in the Washington area and work with the partners we already have here to see if we cannot in the most efficient way begin to provide enhancements in this direction rather than duplicating others, and to look at other models throughout the Nation. I hope that we can become a model, and I hope your committee can help us in that regard.

We are a very complex region, and I know you know that, with the two States and the District of Columbia, and Congresswoman Norton can certainly wax eloquently about the Control Board and a number of entities that have offered help to us, but I think also that we have a good laboratory here and can do an awful lot on our own with a little bit of encouragement and enthusiasm from you.

The CHAIRMAN. Well, let us hope we can somehow provide that encouragement and stimulate it. In your testimony, you said the District of Columbia has an untapped reservoir of labor that has yet to fully share in our region's prosperity.

Ms. CRONE. Yes.

The CHAIRMAN. What were you referring to there?

Ms. CRONE. We have a very high unemployment rate which is higher—not necessarily as high as it has been in the past, but higher than the region and higher than the Nation—and that group of people, with appropriate assistance I think can be very employable—those three rings that I spoke about earlier. Obviously, they need some workforce preparation and training—and again, not necessarily the traditional, but something different, something that works, something that is practical, something that is pitched to a job opportunity.

Transportation is another one. There are job opportunities in the city, but there are job opportunities throughout our metropolitan area. Some are not necessarily tied to existing transportation patterns, nor do the people in the search of these jobs have the economic wherewithal or the time—many of them have many children and are single parents—to access those jobs. But that third circle being child care, those three working together, I think we can provide many, many more opportunities for an untapped reservoir of folks in the District of Columbia to certainly enhance their skills and link in with the welfare-to-work requirements that we now have imposed on our region, a very close tie-in there.

Again, I would like to see the Federal agencies that are engaged in in these, the four I hammered on very extensively in my remarks, I would like to see some partnership among them, and not disrupting the legislation in place or the programs they have now, I think there could be some creative uses of those programs to help in the Washington metropolitan area to tie together transportation, labor, welfare-to-work and the like.

The CHAIRMAN. Dr. Harrington, you mentioned the young people who have had no job experience. Is this any different than in any other large city?

Mr. HARRINGTON. It is a problem that we find in most of the big cities. In Boston and in Chicago, where we have also examined this data, as well as in Hartford, what we find is a paradox within the city where kids in affluent neighborhoods, whose parents oftentimes are college graduates, have pretty good job access, but in areas of concentrated poverty, 14, 15, 16 percent of the youngsters in those areas will work; 80 to 85 percent of the youngsters within those areas simply would have no job access at all.

The CHAIRMAN. Looking at the recent scores for most of the children in this city, they are well below what would be considered proficient. Is that a factor in not getting jobs?

Mr. HARRINGTON. Well, basic skills, Senator, are just the sine qua non for life success, and in the absence of strong reading, writing and math proficiencies, it is difficult to move ahead. But that does not mean things cannot get done.

One of the most successful programs designed to provide job access for central city kids is actually conducted in the city of Boston. I am very familiar with it, because I have been evaluating it for the last 10 years. It is actually a public-private partnership where a set of local firms make commitments to hire kids out of specific Boston public schools, nonexam schools, neighborhood schools, oftentimes high-poverty neighborhood schools. These organizations simply make commitments to hire youngsters into jobs that they essentially would not ever have access to.

Last year, we were able to get the employment rate of the kids in the city of Boston up to the average employment rate of the Nation as a whole. Six out of ten young kids had graduated from the Boston public schools last year, and we were able to get those kinds employed.

The CHAIRMAN. What did you do to do that?

Mr. HARRINGTON. Well, Senator, it was a program where we actually went out and placed job developers in every, single high school within the city. The job developers' full-time, year-around job was to go out and build relationships with a set of local employers in health insurance, finance, education and several other sectors of the city economy, as well as some of the surrounding suburban communities as well. In building those relationships, their job was simply to secure employment opportunities for kids 15, 16 and 17 years old who were enrolled in these district high schools.

It is not a simple job. It is time-intensive, and it is a lot of work. But the impact of this program with respect to providing early work experiences to kids to kids who otherwise would not have them I think was very powerful.

The CHAIRMAN. Have other cities done similar things to what Boston has done?

Mr. HARRINGTON. Yes, they have. Louisville is another city that comes to mind that has tried to develop this model. The city of Chicago now is also trying to implement a compact type of model. The task behind it is to get the school system itself engaged in the idea that one of their responsibilities is to help get kids job access, devote some resources to that activity, and then really work very hard with the business community to get them to make some commitments about providing jobs to youngsters.

Having said that, I will say that this program works a lot better when labor demand is a little bit stronger, a period of time that would certainly be the case in Washington right now. During economic recession, it is a little bit tougher, and it is harder to build these kinds of relationships. But during the good times, these programs can be very good.

The CHAIRMAN. In those situations for those young people, when I ask my employers, "What do you want in the way of skills?" they said, "Well, the first skill we want them to have is to know how to pull the alarm clock button out." I know Jobs for American Graduates is a very successful program, but what it teaches you is how to pull out the alarm button, how to dress for interviews and that sort of thing.

Are any of the schools doing those very basic things which we seem to leave out of the curricula?

Mr. HARRINGTON. The school districts themselves do not. The Jobs for America's Graduates program is actually designed to take at-risk kids from around the country and provide them with those sort of softer skill, I guess you would call them. But the hallmark of the Jobs for America's Graduates program is eventually job access; they try to push those kids into the labor market pretty quickly.

We have actually been evaluating the Jobs for Maine Graduates program for the last several years, and the JMG program does engage in those sets of activities. The difference is that these kinds of interventions are generally not done on a schoolwide basis; they are generally targeted at specific at-risk youngsters.

In many regards, certainly in these areas of high poverty within the city, it seems to me to make sense to really focus these initiatives at the entire district high school.

The CHAIRMAN. Dr. Parilla, do you have any estimate of the percentage of your students who come from the District of Columbia?

Mr. PARILLA. I think we get about 600 or 700 students from the District of Columbia, Senator, out of about 20,000 in credit courses.

The CHAIRMAN. What was that number, again?

Mr. PARILLA. We have about 20,000 in the credit area and probably about 600 come from the District.

The CHAIRMAN. Six hundred. OK. What other options are there for District residents who want to acquire technical, work-related skills like you provide? Is there a large number of them? Are you in competition—none of it is as good as what you provide, I am sure.

Mr. **Parilla.** I think that the community colleges in the region all have programs that are similar to the ones that I mentioned. Prince George's, Northern Virginia Community College, Frederick, and I think UDC have a number of career programs. On the issue of whether there is much regional cooperation among all of us, I think there is room for improvement in that area.

We currently are doing some cooperative programs with Prince George's and Frederick Community Colleges where the State of Maryland actually puts the money in a Challenge program where community colleges had to partner to address specific career areas. So the three institutions that I have mentioned received a grant from the State to put up an advanced technology center, principally in information and biotechnology.

So cooperation is there, but not nearly as much as I think many and certainly Ms. Crone have called for.

The **Chairman.** What I am trying to understand also is what kind of relationship do you have with the K through 12 district people to try to coordinate with them on what kinds of skills are necessary and what is necessary to be in a position to attend your institution?

Mr. **Parilla.** As I indicated in my testimony, I just believe that if every youngster could be brought at minimum to a ninth grade reading level, if every youngster can in fact understand what is equivalent to Algebra I and can write a reasonably good paragraph, I believe that training for jobs—in a very broad sense training for jobs—is very likely and very possible.

The difficulty is that often, we are dealing with individuals who are reading at the seventh grade level, and studies all around the country show that it is nearly impossible to remediate a reading level at seventh or below up to being able to deal with the kinds of technical manuals and technical instructions that are necessary in today's job market.

So we have worked very closely with the public schools, and they have instituted a program whereby every youngster now will have to have Algebra I by the ninth grade. And I think that that is important; that is an important consideration.

Another area of cooperation that we have with the public schools, as I mentioned, is the area of general assessment in the tenth grade. I think that that is critical. But as Dr. Harrington mentioned, the idea of—I do not know whether I should call them "soft skills" or not—but the issue of being able to relate to work, we can teach, but it just is not learned nearly as it is when a youngster has a job from an early age on. When they can see what other people are doing and how other people's work habits are manifested in the workplace, it takes. I do not know how else to say it, but it takes. And when we are faced with youngsters who have not had the opportunity for jobs, it is much more difficult.

In addition to learning the soft skills of how to work with others, good work habits and work ethics that they learn from the job, today's job market is so much more complex. If I were to ask the people in this room what does a biotechnician do, I would bet I would not get six who know. But if I were to ask what does a banker do, or what does a lawyer do, many of them would be able to understand that.

Until we can get youngsters working in the new technologies so that they can see what people in information science, in telecommunications and biotechnology do, it will be hard to get them willing to enter the training programs to get the jobs, because they do not quite understand, what does a person do if he is going to work for BioReliance or Human Genome or whatever.

The CHAIRMAN. Do you know of any K through 12 that has emphasis on careers, not just college careers, but work careers, and at what grade levels? In other words, I just went to Mississippi, and I had always picked on Mississippi as an example—thank God, we are not like Mississippi—but I went down there and found out that they have what I think is one of the most well-developed career emphasis into the workplace programs of any that I had seen. I found out that the teachers there had lobbied for a sales tax to fund it, and they got the legislature to pass it, the Governor vetoed it, and they got the legislature to override it, and now they have developed an incredibly good career program for young people to get an idea what they want to do with their lives, so they have some relevance to their education.

Mr. PARILLA. I think that was a good example of what I was saying when I said that it really is a systemic issue. Unless we can get an entire system such as a State, or an entire city system, whether it is schools and business and government partnership, then what we will be dealing with is anecdotal successes—and they are good successes, but they may only be dealing with 5 or 10 percent of the population, when we really need to deal with the entire population.

So my belief is that the way to get the lasting change is a systemic kind of initiative such as I think you saw in Mississippi.

The CHAIRMAN. It seems to me we have got to concentrate on how we can develop these methodologies to get this done. Do you have any thoughts, Dr. Harrington, on what needs to be done to make education more relevant to the kids and the noncollege-bound?

Mr. HARRINGTON. Yes. There was a discussion earlier about the role of vocational technical education for youngsters. When you go through the evaluation literature on this pretty carefully, it is clearly the case that when we run these programs well, when they are targeted at the job market, when kids go through the program for a more extended period of time, 2 or 3 years, we get very large employment and earnings gains for these youngsters. This is a labor market that much more today rewards occupationally specific proficiencies relative to the case 25 or 30 years ago when, as Mr. Parilla mentioned, you could get a job in a manufacturing plant, and it was sort of ethnic enclaves that gave you job access rather than skills.

In my mind, a strong vocational technical system that is well-oriented to the labor market and has a very strong business in it in terms of actually helping to develop curricula will get pretty substantial employment gains for participants. And there are a number of such systems, one of which is in your own State of Vermont at the postsecondary level. Vermont Technical College stands as an outstanding institution tied very closely to the job market, guided very heavily by the private sector, that gets very large employment and earnings advantages for individuals.

The fact is that I think we do know the answers about what works for youngsters with respect to developing basic skills. We know the answers with respect to youngsters developing occupational proficiencies, and we know the answers about job access for youngsters. We simply have not gotten ourselves organized yet, I think, in a number of communities to take advantage of some of those answers.

The **Chairman**. Ms. Crone?

Ms. **Crone**. One thing I would like to see—as I think the conversations this morning have evidenced, there is an awful lot of information that we do not have. We do not really know the answer to Congresswoman Norton's question about how many jobs are there in the suburbs, at what entry level, and what skills are necessary. It is there, but I think that that needs to be collected.

We need to have more information about what training opportunities there are in the region. Again, we are somewhat fragmented, and both the access to the job databases as well as what training programs are there, from training programs, voc tech, the community colleges, and the 44 institutions of higher education in the Washington metropolitan area. For the person trying to pursue these systems, it is very difficult. The system is not that hard in our region—most people work in one and live in another and that sort of thing, but it is very, very hard to access information about where jobs are, where training is and how do we access, including all those support service such as child care. I think we really need to get some of that very basic information.

The **Chairman**. I was going to say, with our ability to communicate now, that does not seem like a horrendous problem to accomplish.

Ms. **Crone**. It is not. I do not think it is. But it really is not there right now. It is just not that comprehensive, not that available throughout the Washington metropolitan area. There are pieces of it, and those of us who are in the field and are more sophisticated can tell a person how to go about it, but it is still not easy, and there is not a tremendous amount of cooperation. That is one thing I would hope very much for as we move on, that we do not have something in Virginia, something in Maryland, and something in the District, that again is sort of a subregional kind of base—either information about jobs or training or access to them being separated. There is too much to offer in our region and too much that we need to have to have that compartmentalized. I would like to see such voc tech concepts be ones where they would be available throughout the area and promoted throughout the area. You may have one in one area, or one institution that specializes in one aspect of the jobs that we have available, and another in another area, with access and mobility throughout the region to take advantage of that, rather than one in each of our subregions.

I know the Northern Virginia and Maryland Councils on High Technology have just recently agreed to start to work together on the efforts that they have in trying to find more workers for the empty jobs we have talked about. That type of interstate agreement and cooperation I think will go a long way in this area to make things go much faster and more efficiently.

The CHAIRMAN. Thank you.

Congresswoman Norton?

Ms. NORTON. Thank you, Mr. Chairman.

I have seen some recent statistics that are perhaps counter-intuitive and certainly are not indicated in the data on which Dr. Harrington was forced to rely because of the lag time in data.

It was reported in The Washington Business Journal near the end of the year that the District of Columbia had over the past period—part of 1996 and 1997—only 1,500 jobs less job growth than the five Maryland counties surrounding the District of Columbia. I hope you understand what I am saying. Montgomery and Prince George's were included; they were the usual counties. But we were 1,500 jobs shy of the combined new jobs created in those five counties.

Now, my frustration lies in the fact that they did not tell us what were the sectors in which those jobs were found. I am asking you if you can imagine what those sectors might have been.

Mr. HARRINGTON. Congresswoman, I can only tell you that I think that probably The Washington Business Journal was wrong. The data that I provided for you were produced by the Bureau of Labor Statistics from a program called the Current Employment Statistics Program. They actually represent a pretty accurate depiction of employment———

Ms. NORTON. I am not saying the data was inaccurate. The Washington Business Journal is very reliable. I believe that their data was more on line than the data on which you are relying. And in any case, I am not contesting your data. I am asking another question. Imagine—clearly, something happened. They did not make this up. And I am asking you, looking at a city like this, which still has the Federal Government downsizing though it was—the arena, of course, might have accounted for some of it, but by the way, the union saw to it that most of the Prince George's people continued as fairly as I think was fair. There was some construction from the arena. The convention center is not up yet. The Federal Government is downsizing—they may also be hiring in some sectors, but basically, they are downsizing.

In fact, the data was very specific. It said that this more than made up for the jobs we lost in the Federal downsizing. What I am suggesting is that what Ms. Crone says is correct. This is not Boston, this is not New York, and this is not Chicago. This is a very special city. One of the reasons why we are so chagrined at losing jobs is because we lost jobs less than most cities and did not begin to have these jobs tumble out in the numbers they are until somewhere early in the 1990's.

Something is happening in this region. If I were a District official, the first thing I would do would be to talk to The Washington Business Journal and find out where it thinks it has gotten this data, so that I could find out where the job growth potential was in the District, because there is clearly something happening.

I just wondered about your opinion. I certainly was not contesting your figures, but I do believe that my own business paper has been very reliable.

Could I ask you this. First, let me say that one sector that has already shown it can create jobs for youngsters in the District of Columbia is the United States Congress. When the schools were late in opening, Senator, 254 Members of the House and Senate provided internships for almost a month for District youngsters. I could not go into the halls on my way to hearings or onto the House floor without being grabbed by staff or Members with rave reviews of "Ebony Jones" or "John Smith" and what a great help these youngsters were.

The response from the youngsters and from Members of Congress was so enthusiastic that, beginning in February, we are starting a permanent internship program for DC. public school youngsters with Members of Congress who were wonderful in the way they responded to these youngsters. And I think this responds in part, Dr. Parilla, to what you indicated, that at least some exposure to jobs early gives a youngster a sense of what the youngster is going to be up against. I do want to say that I think it should be fairly tepid exposure. I think youngsters need to spend as much time in school as possible.

I would like to ask Ms. Crone what you believe is the greatest impediment to regional action involving funding of shared missions. We have done it in Metro. What keeps us from doing it even now with the transportation crisis or with education and job training?

Ms. CRONE. Well, as you well know, Congresswoman Norton, our region is probably the most unusual in the country in that we have the Commonwealth of Virginia, the State of Maryland, and the District of Columbia and all the complications with regard to the District.

We also in the 1990's have been faced with the tightest of fiscal times for local governments and State governments that we have experienced during the last 20 years, and that generally, unfortunately, causes folks to move a little more toward "what money I can identify as mine" and less of the sharing that we might have seen in the 1980's.

Ms. Norton. We are not asking them for anything. The Senator is talking about sharing resources among the jurisdictions. We are not asking the suburbs for anything. We give to the suburbs every day. We do not ask Metro for anything. We pay for ourselves.

I am asking what keeps this region without boundaries from sharing so that they simply apportion among themselves whatever cost it would take or whatever tax it would take. What is the impediment that keeps that from happening, given the needs in transportation or in education and job training?

Ms. CRONE. I think a lot of it is identifying what they would all support in common; what would be the priorities in having a uniform view of what those priorities are.

Ms. Norton. What would you think that would be? Give me some suggestions.

Ms. CRONE. In the field of transportation or education or——

Ms. Norton. What overriding concern do you think could bring them all to the table, willing to tax their respective jurisdictions and getting a proportionate share of that tax; what overriding concern in the region might have that effect?

Ms. CRONE. Well, as the gentleman who preceded me said, unfortunately, it is generally a crisis where we see that take place. Most recently, we have been involved in the Washington Area Sewer and Water Administration and the formation of that, and that was two jurisdictions in Maryland—Montgomery and Prince George's—the District of Columbia, and Fairfax County.

Ms. Norton. A good example.

Ms. CRONE. It was approaching a crisis situation on a number of fronts, from some of the management to issues to that of the water supply in the region. That brought folks together, and we did form an independent authority with voting participation from all the jurisdictions and financial arrangements worked out.

Right now, we are wrestling with the transfer of the Washington Aqueduct from the Corps of Engineers to different parties, but parties again in Maryland, Virginia and the District of Columbia who are involved in that.

Sometimes, those more physical infrastructure issues are not easy, but they are easier, I do believe, than what we are talking about today when we are talking about education, about children, about workforce, and all the issues that go along with those. Those human service issues are by far the most difficult to reach agreement on and the most difficult in ways of talking about equity and what do you get for this dollar, what do you get for this sharing of resource than you do when you talk about other issues.

But certainly, our Woodrow Wilson Bridge, which you have worked with for years, has been an extraordinarily difficult issue to reach agreement on—should it be 12 lanes, should it be 10 lanes, who should own it, how should we have the funding, should it be Federal, how much Federal, what kind of environmental concerns. Those are tough issues, but I do believe they are easier than the kinds of issues that you are bringing up today—and I do not want to discourage you from pursuing them, because I think they are the most important issues—our human issues, our social issues. You can have all the infrastructure in the region, all the bridges, all the water, all the sewer, but if you do not have the human capital, well-trained, the economy of the whole region is at risk. And without a strong core, our whole region is at risk. So it is very difficult.

Ms. Norton. I wonder if this is the next frontier. Do any of the three of you know of any instance where a region has found some way to bond together for human service, human resource concerns, as regions sometimes do for infrastructure concerns of the kind Ms. Crone has described?

Is there any example that any of you know of where jurisdictions have found it to their advantage to reach across their own borders?

Mr. PARILLA. I think that most States and the District have laws that require colleges and universities to charge additional tuition if a person crosses a State boundary. But there are instances where the State legislatures will make exception to that when it is in their interest. As an example, in Maryland, for years, they did not have a school of veterinary medicine and contracted I think with Virginia, and I think therefore, somehow, there was reciprocity, and out-of-State tuition was not charged.

I think the same happens with some community college sharing in Western Maryland, in Allegheny County, which is only a few miles from Pennsylvania on the north and West Virginia to the south. I think there is some reciprocity.

But the issue that most public colleges and universities face is the fact that there are State laws that say we must charge additional fees for out-of-State students, and I think that discourages the kind of student mobility between jurisdictions.

Ms. Norton. Dr. Harrington, did you have a response that you wanted to give to that?

Mr. HARRINGTON. Yes, ma'am. I can think of two instances off the top of may head—a lot different politics in the sense that there are not multiple political jurisdictions involved—but the willingness of outer suburban areas to work with inner city organizations on human resources I think is twofold. In Boston, a set of organizations are involved in bringing kids from central city communities out into suburban high schools, and they actually matriculate at some of the best high schools in the greater Boston area. There are approximately 3,000 youngsters participating in that program every year.

The second thing that has been done up there lately is that under the Job Training Partnership Act, we have these local private industry councils, and the Boston and the two surrounding suburban private industry councils have worked pretty closely to provide job access for central city kids and to some of the suburban areas as well, trying to develop jobs for kids who live in the city and trying to figure out how to get them out there and get these kids plugged into the suburban labor market.

So there are some sort of small efforts, but nothing on a sort of grand systemic scale.

Ms. Norton. Well, Dr. harrington, I must say that what you just said about what appears to be a completely voluntary effort on the part of people in some suburban high schools to invite out youngsters is something I would like to explore in this area. Here we are all hung up in a polarized debate about vouchers, things that even if they occurred would then have to go to court and so on. It would be interesting to know—and here, I am like the Senator—I would like to see some solutions occur before the Third Millennium. It might be that out of a spirit of cooperation, not to mention generosity—I might even want to set as a goal the 3,000, use that as the challenge, that you have gotten in the Boston area—we might be able to get some of these fine schools to say, hey, we will in fact take, without charging you tuition, "x" number of youngsters from the District of Columbia to go to this very fine school.

Finally, Ms. Crone, you say in your testimony, "At present and for the foreseeable future, the bulk of job growth will likely occur in the suburbs and often in areas not easily accessed by public transportation."

One of my great nightmares is about somebody who gets onto our wonderful Metro, goes to Montgomery or Fairfax, then finds there is a bus for 2 hours from there to a job, and that is certainly likely, more likely than not, even given the growth of jobs around suburban areas. As you indicate, the growth is far and far wider now.

Do you know of instances where central cities or suburbs, feeling the need for workers, have been willing to use vans to pick people up, "get them the hell out of Dodge," and bring them out there?

Again, I am looking for solutions that do not wait until there is a Metro stop nearby, or until we solve the problem that the bus service in the suburbs is being localized so that they are internal to the suburban communities themselves increasingly now. Are there examples like this in other locales?

We carpool in and out in any case. Are there cities or suburbs that have learned to put together their own versions of carpools to bring people to jobs so that they can in fact get there in a reasonable amount of time? Do you know of any instances like that?

Ms. CRONE. I can speak a little bit about the Washington metropolitan area on that. As you know, we have at COG a ride-finding network, and it has put together both the carpooling and the vans throughout the region, so it is accessible to anyone to find out what opportunities there are.

Additionally, a lot of———

Ms. Norton. Of course, I am talking about from the District of Columbia to the suburbs.

Ms. Crone [continuing.] Yes, yes. And a lot of the companies in the area have found it necessary to have vans and actually go to the Metro stops and so on to pick up their workers and take those workers on site.

I have also heard stories about companies that have gone as far as West Virginia to secure workers, and that is something we do not want to promote in our Washington metropolitan area at all.

We have been in discussion with Metro. As we move forward with these initiatives, there is under the Department of Transportation the new ICET legislation that, hopefully, Congress will be able to enact fairly soon. Part of the provisions under the ICET, too, provide for access to work funding that would enable us to enhance the Metro system we have now with feeder systems in such a way that we would be able to certainly make accessibility to suburban jobs much, much better for any inner city residents. And also, in many cases, that is a lot cheaper than building your hard rail; it can be either bus or other kinds of feeder systems. So we see a "spider" going on in terms of transportation patterns throughout the region, and we need to connect those different parts of that web in order to have folks accessible to the job opportunities in the suburbs. It is a very, very important part of this.

I firmly believe, and there is data to support it, that you cannot take an individual and give him just a little bit of training without the work habits, skills, and the child care. You cannot say, "Here is $1.50," and the job is out there in the suburbs. It is just not going to work. There is so much complexity to these initiatives that you have got to have more than that, and many of the people we are talking about have not much income and many children, and by the time they take the wage they are going to get and get up at 5:30 in the morning and get the children to the day care center, get off the Metro, find the feeder bus, get to the job, then it starts snowing—those real life, human stories, we have got to think about when we think about how we are going to address this.

I do believe it is possible. I think this is the year to do it. That ICET legislation is critical to this region and having that provision in it to allow us to provide some access to jobs. But other Federal agencies have programs, too—HHS, DOT and the like—bring those together in some way and have them provide some innovative ways in which we can in this metropolitan area, working with the folks who are active in this, maybe leverage a little bit of that and do some very creative programs to assist, and it will be a model for the Nation.

Ms. Norton. One final question for Dr. Parilla. You talked about students not choosing to major in computer science, and of course, there may be a lot of reasons for that. Some of it may be just the preparation that it may take. I would not hazard a guess.

I would like to ask you a version of the question I asked about vocational education, because the tendency again is to play around the margins of these issues. You were kind in not regaling us with your funding needs, but you did mention several times along the way that there are funding implications.

You, of course, provide an educational service to the mainstream person, the mainstream student that we are talking about in this country today, and you have talked very impressively about the kinds of institutional capabilities you have built in order to accommodate the need for technology training. But I must say to you, even as I implied to the voc ed people, that I think you are in a losing game. You will never be able to keep up with the State of the art that is necessary. As these machines and this technology changes every year, people are going to have to learn it anew every year. As you said, finding people who know it and have kept up with it, much less who have the machinery—I just think it is such a losing game as we try to do so at a certain level, of course, of proficiency that you want to keep up. And I am wondering whether you or anyone in Maryland have considered a version of work-study—we, of course, use work-study for other purposes—but a version of work-study as a way to circumvent this state-of-the-art problem that I believe is inherent perhaps for the foreseeable future in the technology field as you train people, so that you wold still be relevant, because you would still be training people to a certain level of proficiency, you would certainly be training them in critical skills. But when it came to whether or not Montgomery Community College could say I am preparing you for those—I do not even remember the names of these high-tech things—we can in fact say we are doing so, because we have a relationship with the employers who in fact have them, rather than that we ourselves are somehow trying to incorporate this expensive new technology every year and buy it out of taxpayer funds.

Mr. Parilla. I think there are two responses that I would like to make, Congresswoman Norton. One is that I believe that in many of the technology areas that I mentioned, the businesses are demanding that their workers have the skills. It is not a matter of choice, it seems to me. When they are talking about people who know, as I mentioned, JAVA or UNEX or C-Plus or Oracle Database, they want them to have it, and———

Ms. Norton. Dr. Parilla, I am quite aware of that. I am trying now to push us beyond where they are and to say, given the fact that at least I hypothesize that you will not be able to keep up with the level of skills they need, is it possible to think about another paradigm which in fact gets this term, "public-private partnership," which was thrown around in the last panel, so that it means something?

It may involve some money from the State, but would it begin to involved as much money from the State as it would for you to buy the stuff every year?

Mr. PARILLA. I do think that when we have demonstrated that we are willing to use that equipment to train current employees for those businesses, that they are more than willing to help buy the equipment. So it is not always with public funds.

We equipped our Germantown building substantially with equipment from companies———

Ms. Norton. But that, too, is not what I am getting at. I am really going to press you on this. I do not even want the State to go begging to say, Buy us new equipment every year. I am trying to short-circuit that to say you have got to buy it every year because you are in business. Can we strike up a partnership with somebody who has to buy it every year, so that we can feed off of that, rather than ask them for some money to buy it or ask the taxpayer for some money to buy it.

Again, perhaps what I hypothesize is entirely wrong. It may be that the State of the art is going to slow down, and you are not going to need this. As I see it now, it is pitiful that the equipment goes out so quickly, and the needs of business seem to escalate to rapidly.

Mr. PARILLA. I think there are opportunities to use facilities and equipment that business provides, but most often, my experience is the businesses are very proprietary, they carry their i.d.'s that trigger electronic entrances and so forth, and other than their own employees, it is almost impossible for us to bring nonemployed students into their work setting and train them for whatever their business proprietary security issues are.

So I do not think it is conceptually impossible, but from everything that I have done and seen in the last few years, practically, it seems to be very difficult to say that we will provide a general background, and the businesses will do the more specific training. We do do some of that in things like coop programs and so forth, where students are placed in jobs, but I think businesses do not necessarily expect to get a lot of productivity out of students in coop kinds of experiences. I think they see that as a responsibility. I am not saying they do not get some work out of them, but I think it is kind of a training responsibility.

I think that what you are referring to, Congresswoman, is something that I have for a long time said is a good model to follow, and that is the allied health model where, in my institution, we have a number of health programs—nursing, physical therapy assisting, and on and on—and an integral part of the training program is the clinical experience—that is, the site and the equipment and the patients are provided by the clinic—and under very careful supervision, the students learn those practical skills. I think that that is the model, if I might suggest, that you are suggesting.

I would love to see that happen because there is probably no closer partnership between the employing sector and the educating sector and the student than in the allied health model, and if we could somehow get all of the other businesses to follow that particular model, I think we would be moving in the direction that you are suggesting.

Ms. Norton. Thank you.

Thank you very much, Senator.

The CHAIRMAN. Thank you for very helpful questions, and thank you all for enlightening us. I deeply appreciate the work you have put into it.

I would just like to end with one comment on some of the difficulties of trying to find ways to share resources in the area of human resources. I would just point out as far as the thing that has been, shall we say, less than enthusiastically received from Senator Warner, that basically, what we would be doing—in fact, the original version I had in was that if I could get Uncle Sam to pick up the cost of the $2 billion for the infrastructure, I would take all the money which would come from a nonresident tax and share it among the areas to jointly assist us in improving our workforces. I got shut down on trying to get Uncle Sam to pay for it last time. I almost got a billion dollars, but it was defeated on a very, very narrow vote, and I could not even get $50 million out of them finally.

But I am going to keep working on that aspect, and I am going to do everything I can. I do not care where it comes from, but we have got to fix these schools. We will be talking more about that tomorrow, but I am adamant on, one, getting a stronger, closer relationship of coordination in the region, which we are here today, and two, making sure that DC. is not left hanging out there with the worst school infrastructure in the country.

Thank you all for very helpful testimony. Thank you for your participation, we will see some of you out there tomorrow.

[Whereupon, at 1:02 p.m., the committee was adjourned.]

[The appendix follows.]

APPENDIX

PREPARED STATEMENT OF CLIFF KENDALL

Thank you, Mr. Chairman. My name is Cliff Kendall. I am the Chair of the Greater Washington Board of Trade and Chair of the Board of Computer Data Systems, Inc. I appear before you today on behalf of the Greater Washington Board of Trade, an organization speaking out for over 1,000 businesses and professional organizations in the Greater Washington region.

We greatly appreciate your leadership in holding these hearings to examine the importance of regionalism and the need for regional approaches to issues facing the National Capital Region. The business community in this region wholeheartedly endorses your efforts since many businesses currently operate across jurisdictional lines and would be able to operate more efficiently without having to adhere to so many sets of regulations. The Board of Trade has participated in countless initiatives that cross political jurisdictional lines and help all of our businesses prosper. As an organization, our members are committed to developing regional approaches and solutions to the issues that face us in this diverse region.

LANDSCAPE & CHALLENGES

We consider this region a single regional economy, despite encompassing significant parts of two states and a unique entity created to house our federal government. While this region faces many impediments to achieving regional consensus, we have made progress and look forward to future cooperation among the many political jurisdictions that make up the National Capital Region. Several Board of Trade initiatives which I will describe later in my testimony have proven Statement of Cliff Kendall that collaboration among the jurisdictions and the private sector is possible to achieve a specific objective.

A quick review of the region's diverse political makeup shows us just how challenging a task our political leaders face in seeking regional consensus. The Greater Washington metropolitan area is governed by state legislatures in Annapolis and Richmond, the government of the District of Columbia and the Control Board, the federal government, and 18 local jurisdictions represented by the Metropolitan Washington Council of Governments, all within 4,000 square miles.

While this region includes so many distinct and separate political jurisdictions, from the business community's perspective, it can only be viewed as one large economic unit. We call it the State of Potomac. The State of Potomac helps visualize the size, population and economic strength of this region. Its northern border is Frederick County and its southern border includes Stafford, Charles and Calvert Counties. Loudoun and Prince William Counties form the western boundary. Montgomery, Prince George's, Fairfax, Arlington and Alexandria Counties and the District complete the State of Potomac.

With its attributes of 4.5 million residents, employment of over 2.4 million and gross regional product of $159 billion, the State of Potomac would rank as an economic power house in comparison with other states. The State of Potomac would rank 23rd in population, first in median income, sixth in total federal spending, first in per capita federal spending, 14th in gross state economic product and first in population with college degrees in comparison with the rest of the United States. And we are very much an inter-connected region. Commuting patterns from the 1990 Census show that ⅓ of the region's workers live in one state and work in another. In fact—in 1990—there were more interstate commuters in the Greater Washington region than in the New York—New Jersey—Connecticut metropolitan region. We also know that the region's economy is interconnected. Some research done last year by George Mason University indicated that for every dollar of enhancement to the District's economy, the suburban economies are enhanced by $1.50.

The State of Potomac historically has been known as the center of the Federal government—and which remains important to the regional economy. But the region's growth in employment is now private sector growth. The State of Potomac has a large concentration of technology and information services corporation headquarters; is home to a major biotech and healthcare presence due to the federal labs, and public research facilities, the large number of biotech companies with headquarters here and the strong university medical presence. In addition, the State of Potomac is international in flavor—home to 170 Embassies, major international financial organizations such as the World Bank, and headquarters of 700 foreign owned firms.

PLAN OF ACTION

The Board of Trade has been a leader in promoting regional approaches. Since 1991, business and political leaders from the Greater Washington metropolitan area have convened under the auspices of the Board of Trade to develop regional Statement of Cliff Kendall approaches to resolving regional issues. In March of 1991, more than 250 persons participated in our first regional economic summit. The summit included the Governors of Virginia and Maryland, the Mayor of Washington, Congressional leaders and members of the private sector. Its purpose was to develop a collective understanding of the region's economic condition and promote the concept of regional cooperation as a strategy for making this region more competitive in a global economy.

Recognizing the need to address regional issues and challenges on a regular basis, a representative group of 50 to 75 of the region's leaders met again in May 1992 for a two-day retreat to think strategically about the region's future—and to articulate a vision for that future. Participants concluded that new efforts were needed to improve regional governance and cooperation; that the future health of the region and the city are linked and must be solved before the region can become a world class metropolis, and that a regional approach to regional marketing and strategic development were needed to maintain and enhance economic competitiveness, growth and equity.

These regional meetings became what we now know as The Potomac Conference—a process aimed at bringing together regional leaders and gaining consensus on approaches to dealing with the challenges of the Washington metropolitan region. This effort to convene the region's leadership to think about the future of the Greater Washington region as a single regional economy also became the catalyst for many of the Board of Trade's initiatives. The Conference's early work resulted Statement

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of Cliff Kendall in the formation of The Greater Washington Initiative, a 5-year $10 million effort funded by both the public and private sector to market the region.

Subsequent conferences have focused on the importance of the City of Washington to the region, the key role of the federal government and how we respond as a region to federal down sizing and restructuring. This past year, The Potomac Conference addressed the region's transportation crisis and the need for greater coordination of regional transportation decision-making. As a result of those discussions, regional leaders will debate possibilities for regional transportation mechanisms at the 1998 Potomac Conference.

REGIONAL ACHIEVEMENTS

Major political decisions impacting the region often must have the approval of all four legislative bodies. In a competitive environment and without the ability to share in the expansion of the tax base, regional decision-making has been limited to a few examples. Success at overcoming political barriers has been attained with significant federal leadership, a substantial federal contribution or to deal with an impending crisis. Most recently, the approaching crisis over the deterioration of the Woodrow Wilson Bridge has put our region to the test. The need to replace the bridge has forced area governments to work together to reach an agreement and join together to seek federal funds.

One success story has been Metrorail. This successful partnership began with a 1958–59 Congressional panel, named after Sen. Bible of Nevada, that led to the creation of a federal agency, the National Capital Transit Agency, to plan the transit Statement of Cliff Kendall system for the region. This federal leadership and involvement is responsible for the regional cooperation that Metro has achieved. In an unprecedented way, the region has joined together to build and operate the Metro rail and bus system as a regional entity. While sustained federal leadership and major financial investment was the agent that brought the diverse governments together, Metro serves as an example of the possibilities and potential for a regional partnership. On a regular basis, the jurisdictions in this region and the federal government join together to make decisions that have an enormous impact on transportation and economic development in the National Capital Region.

However, as the Metro system is aging, the region has not come up with a way to protect its investment. Metro's capital investment and rehabilitation program, with an estimated annual shortfall of $130 million, does not have a dedicated source of revenue, something most other transit systems have in place.

Formation of the Metropolitan Washington Airport Authority has brought the region together to modernize and expand Dulles & National airports. As with Metro, federal leadership helped bring the region together for its mutual benefit. The new terminal and improvements at National and Dulles Airports could not have come about without the work of MWAA, a regional body created by Congress.

In recent years, the region has come together with agreements on water supply and distribution, sewage treatment & solid waste disposal. To meet federal requirements under the Clean Air Act, the states of Maryland and Virginia, and the City of Washington have designated a Washington area clean air committee that Statement of Cliff Kendall monitors, plans, and coordinates regional efforts to improve air quality in this region. The responsibility for implementing air quality plans, however, is up to each individual governments.

OUTLOOK

Unfortunately, political jurisdictions in our region seems only to be able to work together in the face of an immediate crisis or when federal funding is at stake, and only when the federal government has taken a leadership role. Major issues such as solving our transportation crises—recently identified as second only to Los Angeles in congestion and first in the nation in delays, have not been sufficient as yet to bring the region together to devise a solution. A response to transportation solutions across jurisdictional lines is only one of the areas we see as crying out for a regional response. Potential areas of collaboration in the National Capital Region include shared resources to enhance educational opportunities across jurisdictional boundaries, development of a skilled workforce to meet the growing demands of our technology-based economy, a joint response on public safety, a strategy for taking advantage of the increasing ethnic diversity of this region, a shared vision and implementation of a regional economic development initiative and an effort to achieve improved forms of regional governance.

Jurisdictional boundaries play only a small part in the decisions businesses make in the Greater Washington area, while our economic fate rests on the health of the region as a whole. The leadership and continued involvement of the federal government have contributed substantially to many of our regional successes—efforts to establish and fund Metro, establish the Metropolitan Washington Airports Authority and now to finance rebuilding of the Woodrow Wilson Bridge. The business community is committed to achieving greater regional cooperation and developing a joint strategic vision for the National Capital Region. We look forward to working with the Committee on ways to bring this region together.

PREPARED STATEMENT OF WILLIAM M. FREEMAN

Good morning, Mr. Chairman and members of the Committee. My name is William M. Freeman, and I am the President and CEO of Bell Atlantic Washington, DC., Inc. Thank you for convening these hearings to discuss meaningful workforce preparation practices and desired outcomes for the District of Columbia. Today I will give you a brief description of an excellent program with which Bell Atlantic has been closely involved: Capital Commitment, Inc. I will also discuss the workforce preparation work being done by DC Agenda. I am co-chair of the economic development committee of DC Agenda and the chair of the workforce preparation subcommittee.

Capital Commitment is a telecommunications technical school located in southeast Washington, DC. It is a nonprofit organization established in June 1991 for the purpose of training unemployed and underemployed individuals in Washington, DC. and the surrounding metropolitan area to qualify for jobs in the dynamic growth industry of telecommunications. It is my understanding that Capital Commitment's founders Ernest and LaVerne Boykin will be testifying on January 15. Therefore, I will not speak in great detail about the Capital Commitment program and its accomplishments. Their vision, dedication and personal sacrifice has earned these two wonderful people the privilege of appearing before this committee and they are the best ones to tell the story. I would like to focus on Bell Atlantic's involvement with Capital Commitment, how we have partnered to achieve success and what lessons have been learned with respect to workforce preparation.

Bell Atlantic became involved with Capital Commitment in 1994. Capital Commitment's mission is to be the best at facilitating telecommunications opportunities through education and to serve as a model for industry driven job training and personal development programs. These goals were consistent with Bell Atlantic's own business plans and consistent with our charitable giving plans. There are three critical ways in which Capital Commitment could be helped to achieve its goals: financial support, strategic managerial assistance and providing jobs for its graduates. I am proud to tell you that Bell Atlantic has been a partner to Capital Commitment in all three ways.

We began by providing financial support through outright grants as well as sponsorship of events to raise funds for the training program. It became clear in relatively short order that our business needs in the competitive local exchange market could be well served by expanding our partnership with Capital Commitment. When we were offered a position on the board of directors, we accepted. In fact the current chairman of the board of Capital Commitment is a Bell Atlantic executive, Brad Boehmler, who was formerly the General Manager—Operations for Bell Atlantic—Washington, DC., Inc. Bell Atlantic's board involvement was directly responsible for the expansion of Capital Commitment's training curriculum to include a Bell Atlantic sponsored residential telephone installation training module. Bell Atlantic and the other corporate supporters of Capital Commitment have worked cooperatively to try and ensure that the training curriculum designs, the technical expertise and the funding are all aligned on our expectations of the current and future telecommunications job markets.

I would like to briefly describe a Bell Atlantic work project and the opportunities created for Capital Commitment participants. We are the prime contractor for the Department of the Army's "TEMPO" contract. As a task under that contract we have been involved with the Army in developing the telecommunications infrastructure for the Pentagon Renovation Work which includes rewiring the entire facility. There are 18 subcontractors supporting Bell Atlantic who are hiring Capital Commitment graduates/students into their workforces. Capital Commitment has effectively created a reservoir of talent for these smaller businesses.

Bell Atlantic is very pleased to be working in partnership with Capital Commitment in this positively focused effort. Building bridges between segments of the community and the private sector and developing partnerships such that opportunities in the telecommunications industry are available to all of the unemployed and the underemployed is very good business. Our need for skilled technicians in the growing market demands that all potential sources of skilled labor be leveraged

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against the problem. Capital Commitment is a true model of welfare to work in its broadest sense and should be supported through a combination of public and private initiatives.

Now, let me turn to the work of DC Agenda. As you may know, DC Agenda is a non-profit organization located here in the Nation's Capital, which has as its mission to mobilize a cross-section of leaders to solve pressing issues by providing information, technical assistance and resources to improve the governance and quality of life in our city. More than a year ago, leaders from the business community, health, higher education, finance, and community groups, along with leaders from both the Executive and Legislative branches of local government, met intensively to develop consensus around a number of issues that would bring *needed economic vitality* into the city. That group, which I co-chair with Dana Stebbins, a locally and nationally recognized attorney, gave—and continues to give—significant attention to the challenges of workforce preparation.

Our work is shaped by two basic principles: first, we recognize that there is an inextricable link between the District of Columbia and the region—and that meaningful, long-lasting solutions to the problems related to workforce preparation will not be found solely within the boundaries of the city. Indeed, while the District may have a disproportionately higher percentage of residents who are unemployed and underemployed, the opportunities for gainful employment and skills training are, in fact, found throughout the region—not just in the city itself. The second basic principle is that in this area, there are very skilled suppliers and providers of workforce preparation training, focusing their attention on adequately preparing individuals for jobs in the growth industries of the city and the region: high technology, hospitality, health care, communications, finance, and the like.

Our analysis has led to several clear conclusions: First, most employers do not provide basic skills training. Unlike years past, today's employers want people who already have basic job skills and life skills that would make them "ready to work". Employers are prepared to provide additional training to those individuals—but those individuals must come to the workplace with a set of skills that would allow them to have a reasonable chance of being successful. This is especially true for the medium sized and smaller businesses that dominate the Washington region's private sector economy. Yet it is also clear that employers are interested in identifying the basic skills needed for their jobs, and providing that information to those who are in the business of training. And, most importantly, employers who find well-trained applicants are ready to hire them. The shortage of well-trained "ready to work" individuals will, no doubt, be discussed in this hearing—and it certainly has been covered in the media.

The second conclusion which we have come to is that the role of District government in the workforce preparation process should be limited and focused. Government should *not* be the soup-to-nuts provider of training and services. Rather it should screen individuals to determine their qualifications for particular training programs, identifying which job skills and/or life skills enhancements are needed, based on employer requirements. Local government also should act as the coordinator for training organizations, bringing together the various non-profit and for-profit entities that provide training and support. And, perhaps most importantly, local government should enter into agreements with those private sector employers who are willing to employ individuals who have successfully completed the training programs. This last point is particularly significant. If workforce preparation is going to work in this city, the private sector must be assured that government acknowledges and agrees to providing a quality "product", if you will, in the form of a well-prepared, well-trained individual who is ready to take his or her place in the workforce. Such an agreement would go a long way to ensuring that government maintains oversight over workforce preparation, while not serving as a direct service provider.

We believe that this model—engaging the private sector in identifying its skills needs for various entry level positions, and in employing well-trained individuals; having government play a screening, oversight and coordinator role; and, placing primary responsibility for training in the hands of non-profit and for-profit service providers—is one which holds great promise for the city. It would provide an employer with a reasonable assurance that the individuals trained locally achieved the requirements needed to be successful on the job.

It is clear that this city must change the way it does business in this area. The pressures for quality job training, particularly in light of the timetable for previously unemployed individuals to find employment, coupled with the number of people currently looking for work has exacerbated the workforce training dilemma. In this instance, change does not mean doing more. If nothing else, the financial limitations of District Government clearly preclude the city from increasing and expanding its role in workforce preparation. With this model, there could be fewer government staff involved in the process—with government performing the classic and very necessary regulatory oversight quality assurance function. And government would be better able to avail itself of the tools of the "new millennium": quality processes and newest training methods—computer based and otherwise—targeted to the key industries throughout the region which are identified as having employment opportunities.

DC Agenda will continue its focus on workforce preparation, and will transmit a position paper to the District Government and the Financial Authority by the end of the 1st quarter of this year. We envision recommending policies, structures and processes for achieving an effective workforce training system in the District of Columbia. We believe time is of the essence—and that without a meaningful approach and a significant change in strategy, those most in need will continue to lose out—and the private sector will move away from the region.

Thank you.

PREPARED STATEMENT OF GREG FARMER

Mr. Chairman, Members of the Committee. My name is Greg Farmer, and I am Vice President for Government Affairs and International Trade for Nortel (Northern Telecom). It gives me great pleasure to be with you this morning to discuss some of the things Nortel is doing in the Washington, DC. area to help prepare inner city youth for a fruitful life beyond high school, whether it be college or acquiring a special skill set.

Bell Atlantic is a household word and all of you are certainly familiar with it. You might not be as well acquainted with Nortel (even though—and I hesitate to say this in case you had a telephone problem this morning—the Senate does have our telephone switch). Nortel is the leading global supplier of fully digital network solutions and services. We design, build and integrate digital networks that communicate voice, data, image and video for customers in the information, communications, entertainment, education, government and commerce markets. Our customers are local and long distance telecommunications companies, cellular mobile telephone and personal communications services providers, businesses, universities, governments, cable television companies, competitive local access providers, Internet services providers and other network operators around the world. We operate in 150 countries around the globe. We are largest in the U.S. where we are based in Nashville, Tennessee and have major state-of-the-art centers—including research and development, manufacturing, semiconductor and software-engineering facilities—in nine other states. And we have sales and services offices in every state of the union. We count Bell Atlantic as a good customer and I am pleased to be on the panel today with Mr. Freeman.

As with other telecommunications companies, education and workforce development is an essential part of Nortel's overall business strategy. It really has to be. Our industry requires highly skilled workers at even the most basic entry level positions. We are constantly looking for opportunities to work with organizations that provide training and enhance our workforce. Capital Commitment was a real find.

When LaVerne and Ernest Boykin set out to establish Capital Commitment in 1991, their vision to train inner city, underprivileged youth in telecommunications and life skills and to facilitate job opportunities for them resonated well with our corporate goals. Since that time, Nortel has been actively involved with Capital Commitment. We have observed a dramatic increase in employment opportunities for the unemployed, under-employed, at risk youth and single parents from the District of Columbia. As a result, we have also observed a significant shift of money from public assistance to taxable income.

In those early days, we worked with the Capital Commitment management team, to identify factors critical for their success and discovered their needs went far beyond financial support.

Nortel's support of Capital Commitment since its inception includes:

- Providing well over $1 million in funding, equipment and personnel resources (switches, computers and state-of-the-art office equipment as well as technical expertise, training materials);

Providing management advice and coaching;

- Taking the lead in turning Capital Commitment into an industry sponsored organization;
- Establishing a fundraising golf tournament;
- Working to replicate Capital Commitment in California & Texas;
- Active membership on Capital Commitment's Board by Stuart Mapes, Nortel's National Director of Minority and Women Business Program.

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In addition, I am pleased to announce today that Nortel is donating and installing a new Nortel Central Office Switch to be used for advanced training. Installation is currently underway at Capital Commitment.

We have also worked with Bell Atlantic and other private companies to expand corporate funding of the program. I might add here that one of the most telling successes of this program is the fact that Nortel and other corporate sponsors of Capital Commitment have been diligent in working cooperatively. We work with our customers, such as Bell Atlantic, MCI and Sprint, but also with our competitors, such as Lucent and Seimens, in promoting this program. There is something in it for each of us. Not only does it make us sleep a little easier at night to know that we are being good corporate citizens and helping disadvantaged youth become a part of this dynamic industry, but also, in a cold business sense, we are receiving great benefit.

Nortel and the telecommunications industry in general are in constant need of highly qualified technical employees. Capital Commitment graduates students who are highly trained in these skills. We have hired over 100 Capital Commitment graduates who have proven to be well trained, competent and reliable employees. As a matter of fact, Capital Commitment graduates have a 90+ percent placement rate and an impressive 80+ percent retention rate! This welfare-to-work program really works.

There is another aspect to this program which is missing from other traditional welfare-to-work programs. The Boykins teach their students critical lifeskills and stress to their students the importance of "paying back" their communities. Many of their graduates return to Capital Commitment to help instruct students, or pay back their communities by being role models for others. So the legacy of Capital Commitment lives on in their graduates and provides long term benefits to the community.

I am committed to spreading the word about Capital Commitment. I have personally taken Administration officials through the program. I have found that a tour of Capital Commitment makes believers out of all who go there. My goal is to find sources of federal, state and local funding to help this incredible program expand. I would encourage each of you to take time from your very busy schedules to visit Capital Commitment, which is located a few short miles from here. There is nothing any of us can say to you today that will have the impact a personal visit will have. It will, I know, be time well spent.

We at Nortel believe very strongly that Capital Commitment is an important and solid example of how business can work within the community to provide increased opportunity for movement from welfare-to-work in highly paid, career oriented jobs in a high growth industry. The need for skilled technicians to enter this industry is growing rapidly so it is incumbent upon us to accelerate efforts to assure continued progress for this important program. Capital Commitment provides opportunities for our most disadvantaged citizens to become productive, well paid workers in this dynamic industry.

Having said all of this, there is trouble in paradise. We at Nortel believe that corporate-community partnerships are the key to educating and gainfully employing a greater number of high skilled workers. However, there is a third critically important partner needed in these job training programs if they are to be successful: the government.

I worry that Capital Commitment might not be able to continue because it is lacking financial support of any kind by the government.

It is the government's role to encourage programs which take people who are on welfare and turn them into gainfully employed, responsible citizens who pay taxes and otherwise contribute to their community. This is what Capital Commitment does so well. And the corporate community by all accounts has been extremely generous with financial and other resources to help them achieve this goal. The corporate community benefits from the program; we strongly support the program. And while the Government also has much to gain from these efforts, there has been little effort by the government to encourage this activity.

Capital Commitment is a victim of its own success. Ernest and LaVerne Boykin triumphed in setting up a high quality welfare-to-work program that actually works. It takes people off of welfare and helps them get jobs in a growing industry.

Capital Commitment is a public-private partnership without the public. The government has simply not done its part in encouraging this most successful program.

In my previous two stints at public service, I learned first-hand the benefits of converting traditional governmental functions into public-private partnership.

As Florida's Commerce Secretary I converted several functions within the department to public-private partnerships, including film and motion picture promotion, sports promotion and tourism promotion. Finally the economic development function was converted to a public-private partnership, completely eliminating the Department of Commerce.

As Under Secretary of Commerce for Travel and Tourism, I convened the first ever White House Conference on Tourism charged with planning strategy for the industry for the next five years. The number one recommendation was that the agency be converted to a public-private partnership.

The reason is that a public-private partnership leverages resources in the most positive way possible. It achieves the public purpose the government wants to achieve; it brings the discipline of business to the operation; it provides accountability; it is cost effective by nature because business simply will not be a part of something which is not effective. History shows public-private partnerships are almost always more effective in terms of achievement and cost than government working alone.

As an aside, you may all be aware that there is an effort underway in DC to revive a plan endorsed by the White House to create a National Capital Revitalization Corporation, a separate legal entity that would oversee development activities in struggling commercial areas across the city. The corporation, a public-private partnership, would be charged with drafting a strategic economic development plan for the city and would have the power to acquire property, issue bonds and conduct other activities which would ensure economic growth happens.

I endorse this plan because I believe there is no where else in this country that needs a public-private effort to revitalize the economy more than the District of Columbia.

Capital Commitment would fit well into this new economic plan. But what we have with Capitol Commitment now is a public-private partnership in which the public has not been present. The results have a tremendous public return. Over 500 former welfare recipients now earning high wages, paying taxes and contributing to the economic development of their communities. A proven success record. Yet there has been precious little government investment and apparently no realization of the value this program has in achieving a critical government goal.

Before I conclude, let me briefly tell you about some of our other efforts to be helpful in DC.

Nortel recognizes that computer-based learning is crucial in preparing our students for the 21st Century. So, 18 months ago, we began a program to assist the DC school system. We began by providing computers to Burrville Elementary and Hine Junior High School. Nortel also provided the expertise and training necessary to ensure the computers were operable and the teachers knew how to instruct the children. Access to the Internet was an essential ingredient. The computers were most successful at Burrville and Hine, well run schools with excellent teachers and children eager to learn. However, we soon learned that much more needed to be done.

To respond to this need, we assembled a coalition of federal and city government officials and private corporations aimed at providing inner city DC schools with computers, software and Internet access. We met to discuss how, working together, we could provide on an ongoing basis, computers, access to the Internet, software and technical support to inner city schools. It soon became apparent, however, that there was no accounting system for tracking what the DC schools presently have or what they need. So we had to start from scratch. Before we could be truly helpful, we first needed to get a handle on what the DC school system already had, what was working and what was not and exactly what was needed. A more structured organization was required.

This led to the creation of Partners in Technology (PIT), a non-profit foundation established to foster technology-based public-private partnerships in the DC school system. I am pleased to serve as Chairman of the Board of PIT.

The goal of PIT is to improve the quality of education in our local educational institutions by increasing the level and maximizing the impact of community investments made by the private sector. We learned from experience that to be most effective takes more than just donating equipment.

PIT is funded by corporate charter members and is seeking matching funding for programs and operations from private, public and federal sources.

Although in its infancy, PIT-in partnership with the District Branch of Tech Corps-has already initiated:

- Researching and developing plans for an "acceptable" standard work station/computer that will meet the overall education needs of the student. This includes working closely with the DC Public Schools in providing assistance and consultation on strategic planning and inventory management. For instance, PIT is in discussions with DC Tech Corps in looking at ways to develop effective-technology training programs for the faculty. PIT understands it cannot be effective unless we have trained educators that can and want to teach students how to use the tools of technology in order to enhance their education.

- Establishing a pilot project which is being tested to allow schools to turn over obsolete computer equipment for a credit by a computer remanufacturer. This credit may be used to purchase state-of-the-art equipment and comprehensive computer training for teachers. In addition, local non-profit remanufacturers have expressed an interest in working to provide repair training and intern opportunities for DC students in the schools and at their facilities.
- Coordinating the establishment of a computer program within the DC public schools which will establish student clubs with faculty?

adult supervision.

These are just a few of the activities already undertaken by PIT. High on our list is to assist the DC Public Schools in compiling an accurate inventory of all computer/phone equipment and systems. This will include an inventory of each school's human and corporate resources. This is a critical step in providing the necessary information for intelligent and effective planning.

We plan to be more active as we develop and believe we can become a highly effective link for the DC public schools. We want to ensure that DC has the computer equipment they need and the teachers have the resources they need to ensure proper operation of the equipment, access to the super highway and training so DC students are assured of having a good, solid education which will prepare them for a good future.

We have coupled our efforts with Capital Commitment and PIT. Capital Commitment has arranged office space for PIT in its facility, and we have provided computers for both organizations to enhance their effectiveness.

Again, thank you for allowing me to present to you this morning to discuss these two important programs, both of which could be easily transported to other parts of the country where there is also critical need.

We encourage other corporations to join us in ensuring that organizations like Capital Commitment and PIT are securely funded. And we would also encourage our policy makers to take a careful look at programs like these for government funding. These are programs where a little bit of funding can go a very long way in enhancing economic development to the betterment of all citizens.

I would be happy to answer any questions.

PREPARED STATEMENT OF RUTH R. CRONE

Good morning and thank you for permitting me to represent the Metropolitan Washington Council of Governments at this important hearing today. I applaud the Chairman and the Committee for their leadership in seeking regional solutions to the challenges facing the Washington metropolitan area. The Council of Governments, which celebrated its 40th anniversary last year, has posted a long record of accomplishments by seeking consensus on tough public policy issues and working together as a region to improve the lives of area residents.

Senators Warner and Mikulski, members of this Committee and along with the entire Washington area congressional delegation, also members of the Council of Governments, have been strong supporters of COG. We are indeed fortunate to have them as allies in the cause of regionalism.

In preparing for this hearing, I noted that the Committee is comprised of Senators from 18 different states, large and small, from every corner of the nation. In almost all of these 18 states, communities have turned to regional councils, sometimes called metropolitan planning organizations, to address and resolve a wide-range of public policy challenges.

The Washington metropolitan area is no different, and has for 40 years, looked to the Council of Governments to help meet our region's highway and transit needs, keep our air and water clean and safe, protect public health, and promote public safety.

I firmly believe that the same tool of regionalism that federal, state, and local governments have so often turned to for these and other tasks, also can be effectively used to address the subject of your hearing today—economic development and the special needs of workforce preparation and training.

Why does a regional approach hold out hope for addressing the many economic development and workforce preparation challenges facing the Washington metropolitan area? I believe there are three fundamental reasons.

First is the clear recognition that we all live and work in a single economic market. The political boundaries between and among the District, suburban Maryland and Northern Virginia all but disappear when you examine our region's job market. Area workers routinely travel from the District to Alexandria, Prince George's County to Montgomery County, Fairfax County to the District and every possible combination to access the almost 2.5 million jobs in our region today.

Second, is the recognition that at present and for the foreseeable future, the bulk of job growth will likely occur in the suburbs, and often in areas not easy accessed by public transportation. COG projects that the number of jobs in our region will grow 43 percent between 1990 and 2020, with the greatest percentage increases in the outer suburbs of Virginia and Maryland, rising by more than 110 percent. Yet, the District of Columbia and many of our older, inner suburban communities have an untapped reservoir of labor that has yet to fully share in our region's prosperity.

Lastly, is the recognition that to be successful—economic development and workforce preparation efforts must involve a wide-spectrum of federal, state and local governmental agencies, and the private sector and non-profit organizations. These partners in turn, must ensure that transportation, job training and referral, and social services that are provided to clients mesh in an effective and efficient manner. I can think of no public policy challenge better suited to a regional approach.

I believe that human capital is the key to our region's economic development. But the single economic market, suburbanization of jobs, and diversity of partners found in the Washington metropolitan area call for new mechanisms and linkages to ensure that our workers and young people in can fully share in our region's prosperity.

To this end, COG has sought to engage our region, its elected officials, transportation agencies, private industry councils and human services agencies in a dialog on ways that we can work together to promote access to jobs for key, underserved populations in the District and our region.

COG does not seek to tell communities, local governments, transportation agencies, private industry councils, or social services agencies how they must respond to this challenge. Clearly, the "one size fits all approach" does not work well in this diverse and complex tri-state region. However, we believe that COG can and should play an important role in helping to establish a comprehensive and coordinated approach to access to jobs that makes the most efficient use of scarce resources and promotes economic opportunity and growth.

COG has found a wealth of promising economic development initiatives planned or underway that focus on providing improved job training and referral linkages, often coupled with critical transportation services and social services, such as child care. Many of these local, state and private sector efforts have arisen as a result of new federal programs sponsored by HUD, DOT, the Labor Department and HHS, and the sweeping welfare reform legislation recently enacted by Congress. Each of these initiatives have as central goals enhanced economic development through improved access to jobs.

We have lately described the access to jobs issue in a paradigm as three linked or overlapping circles——transportation, workforce development, and human services. Each circle may also represent multiple partners or linkages, but if our access to jobs efforts are to be efficient and effective, transportation, workforce development, and human services must also inter-relate. I believe your hearings this week will serve as a catalyst for using the tool of regionalism to begin to comprehensively address the economic development needs of the Washington metropolitan area.

Last summer, COG convened a small but enthusiastic group of transportation, workforce development and human services organizations to begin a dialog on how our region might better coordinate the various access to jobs initiatives underway or planned.

Since that time we have met or spoken with representatives from the Washington Metropolitan Area Transit Authority, DC Agenda, United Planning Organization and a number of local and regional organizations that share our interest in this issue and seek to work together.

Tomorrow, I will be briefing COG's Board of Directors on our research and outreach efforts, recommending that our organization, in partnership with other regional leaders in economic and workforce development, host a forum on this important issue. COG's incoming Board chair, DC Council Member Charlene Drew Jarvis has expressed strong interest in advancing regional economic and workforce objectives.

The purpose of this forum would be to clearly outline regional and local initiatives centered on economic development and access to jobs—and focusing on the overlapping areas of transportation, workforce development and human services. The outcome, we hope, would be a more formal agreement or mechanism enabling our region to embrace shared goals on access to jobs and to put in place common action strategies.

Without exception, representatives of each organization contacted to date have expressed strong support for greater regional collaboration on this important topic and

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recognize that our region, and our workforce, will be better prepared for the highly competitive job environment of the 21st century if we move with thoughtful dispatch.

This Committee I believe can and should play a central role in strengthening the linkages between economic development policies and workforce preparation strategies. I can think of no better testing ground for these efforts than the Washington metropolitan area.

Congress, which has on a bipartisan basis focused tremendous energy and resources on the challenges facing the District of Columbia, has the opportunity to turn to a tool you have successfully used in the past in addressing transportation and air quality issues—regionalism—to take on the economic development and workforce preparation needs of the District and the region as a whole.

I urge this Committee to consider establishing a demonstration initiative in the Washington metropolitan area. If enacted, such an initiative would provide incentives to the diverse partners in our region to work together—sharing strategies and resources where appropriate—to promote economic development through expanded, enhanced, and coordinated workforce preparation.

A regional approach to training and workforce preparation holds great promise, I believe for the entire Washington metropolitan area, which is home to a strong and growing high-technology job sector. Nearly half of the job growth anticipated by 2020 will be found in service industries such as engineering, computer and data process, business services and medical research. Such an effort would likely be well-received by many private sector firms, which could more easily meet their labor force needs without having to negotiate diverse and perhaps conflicting program requirements that may be offered by the three states and numerous non-profit organizations in our region.

Further, a demonstration program in the Washington metropolitan area would afford the federal government the opportunity to become a full and active partner in this effort. Separate programs now being sponsored by HUD, DOT, Labor and HHS to address welfare to work and workforce development needs could benefit from a better coordinated, unified approach, with the federal government providing the necessary oversight and stimulus for creative and cost-effective collaboration.

The regional dimension to our economic market here in the Washington area, the suburbanization of jobs, and the diversity of partners in these efforts appear to call for a new, integrated, and regional approach. I am hopeful that following your three days of hearings, the Committee will also reach this conclusion and will turn in partnership to the Council of Governments to help put in place the mechanisms and strategies I have outlined this morning.

Mr. Chairman, this concludes my testimony. In addition to my remarks, I have submitted some additional information for the hearing record. I am available to respond to any questions from the Committee now or following the remarks of the other speakers.

Testimony of
Ruth R. Crone
Executive Director
Metropolitan Washington Council of Governments

Additional Information
for Hearing Record

•Population and Employment Data (7/97)
•Congressional Delegation Letter
in Support of Bridges to Work (9/97)
•Workforce Development/Potential
COG Roles (10/97)
•Letter to D.C. Council Member Cropp
on COG Activities/Roles (12/97)
•COG Information Brochure

U.S. Senate
Committee on Labor and Human Resources
January 13, 1998

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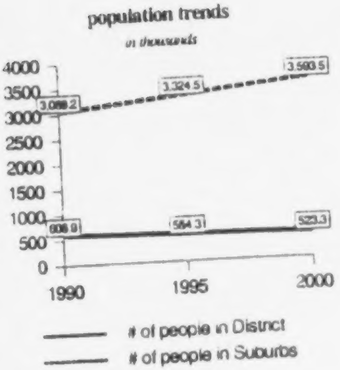
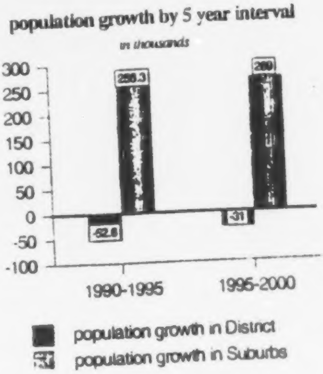
Population Trends in the District of Columbia and Suburbs

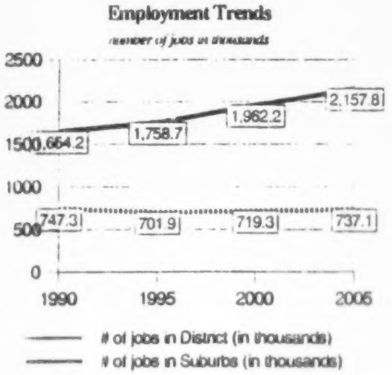
Data for 1990-1995: Census, local government population estimates.
Data for 2000: COG, Round 5.4 Cooperative Forecasts



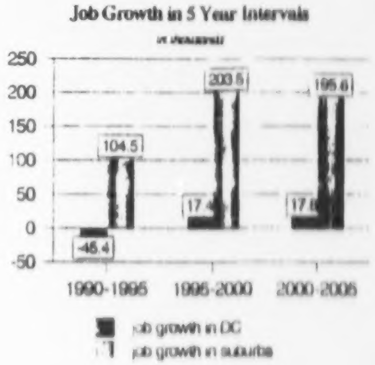


Employment Trends in Suburbs and The District of Columbia

Data for 1990-1995: Census, local government population estimates.
Data for 2000 & 2005: COG, Round 5.4 Cooperative Forecasts



Employment Trends



Job Growth in 5 Year Intervals

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Unemployment Rates in the Metropolitan Washington, D.C. Region

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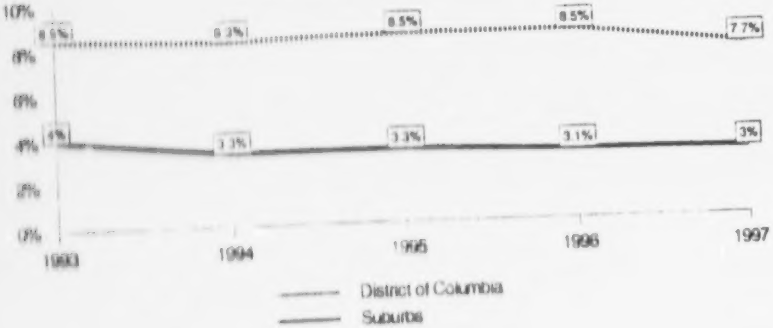
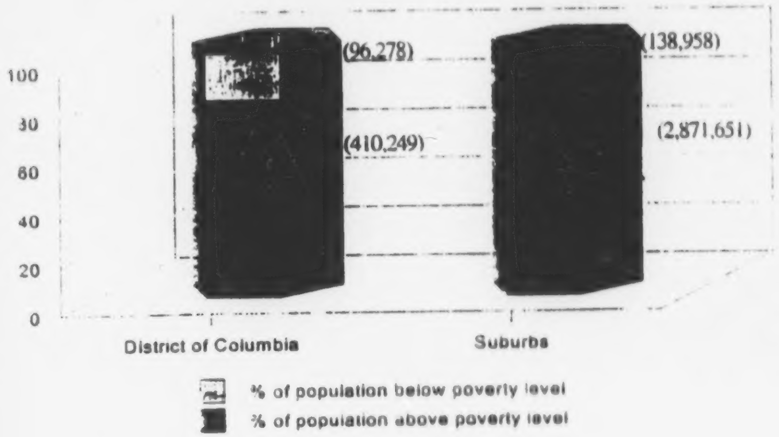
Source: *Metropolitan Washington D.C. AREA LABOR SUMMARY*, which is published by the D.C. Department of Employment Services. Data is for March of each year except, 1995 where data is for April. Data is based on the revised statistics for each year except 1997, where only preliminary statistics were available

Unemployment Rate Trends



Comparison of poverty levels in District of Columbia and Suburbs



Source: 1990 Census STF3

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Workforce Development Issues
Potential COG Roles and Opportunities
October 14, 1997

Overview
There has been increased attention to issues pertaining to workforce development and welfare to work in recent months. Programs generally seek to maximize labor force participation by disadvantaged populations, e.g. former and current welfare recipients, persons lacking transportation to emerging job centers, and persons needing to enhance their job skills. Programs seek to augment and/or subsidize transportation service for the target population, provide additional or enhanced job training and referral services, and limited support services. Programs also strive to create a long-term market for transportation expansion by focusing on reverse commuting, helping to ensure the long-term benefits of these demonstration efforts. Several federally-sponsored initiatives are underway, providing COG with an opportunity to increase its involvement in this program area.

Potential COG Roles
1) Assist state and local governments and private groups in identifying and sharing program information.

2) Serve as a catalyst or convener for public and private agencies administering programs.

3) Administer one or more programs.

4) Plan and coordinate the implementation of programs sponsored or administered by other public and private agencies.

Programs Underway/Planned
1) Access to Jobs - The U.S. Dept. of Transportation anticipates providing grant funds to states and MPOs to provide transportation support and services to welfare to work clients. Originally envisioned as a multi-year, $100 million program, this effort now appears to be limited to several demonstration sites. Staff has attended several meetings hosted by the Maryland Dept. of Transportation, which has been considering how best to use these funds in Maryland. The U.S. Department of Transportation may also call for a greater MPO role in planning and coordinating these type of initiatives as part of pending transportation legislation.

2) Bridges to Work - The U.S. Dept. of Housing and Urban Development sought to expand the number of Bridges to Work demonstration sites. Bridges to Work is a demonstration grant program that provides funding to support transportation and other support services such as job counseling and referral. Bridges to Work funding was not included in the FY 1998 appropriations legislation and the proposed expansion is in question.

3) UPO/Access to Work Initiative - The U.S. Dept. of Health and Human Services is expected to fund the United Planning Organization to administer a limited access to work transportation project. As envisioned, UPO clients in the District would receive transportation, via leased vehicles, to targeted hospitality industry jobs sites in the Dulles Airport area. This project is a demonstration effort not expected to exceed 24 months.

4) Regional PIC Initiative - The U.S. Department of Labor has been asked to fund a demonstration project developed by a collaborative of PICs to address the area's high tech jobs shortage, primarily in Northern Virginia. Several key area Members of Congress supported this effort, which has brought PICs together for a shared project. This effort would include the sharing of job information and reduce service delivery area barriers to job and training seekers.

COG Activities to Date

COG has largely sought to gather information on federal, regional and local efforts, focusing mostly on the Bridges to Work program. COG hosted an initial meeting of potential key players, which served to alert players to COG's interest in this issue. COG also obtained Board endorsement of its pursuit of a Bridges to Work application, should funding become available.

As a result of COG's efforts to date, other public and private agencies are increasingly looking to COG, if not to actually administer a program of this nature, perhaps to perform a coordinative role. Such a role is important because of the great potential for duplication of effort and the need to maximize program cost-effectiveness. Also, all programs advanced to date are largely demonstration or short-term in nature and a long-term strategy that supports work force development and enhances transportation service is needed in the region.

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JAMES P. MORAN
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COMMITTEE
ON
APPROPRIATIONS

SUBCOMMITTEE ON DISTRICT OF
COLUMBIA
RANKING MINORITY MEMBER
SUBCOMMITTEE ON INTERIOR

Congreſs of the United States
House of Representatives
Washington, DC 20515–4608

September 12, 1997

The Honorable Jerry Lewis
Chairman, Subcommittee on VA, HUD
and Independent Agencies
U.S. House of Representatives
H-143 The Capitol
Washington, D.C. 20515

Dear Chairman Lewis:

As you begin work on the Conference Report on the Fiscal Year 1998 VA, HUD and Independent Agencies appropriations legislation, we would like to request your support for providing funding for a Bridges to Work program in the National Capital Region.

As you know, Bridges to Work is a multi-year demonstration program currently underway in five regions: Baltimore, Chicago, Denver, Milwaukee and St. Louis. The initiative connects inner-city residents with suburban employment opportunities through local partners who provide job placement, transportation and support services. Recognizing that more than two-third of all job growth is concentrated in the suburbs, Bridges to Work is a winning public-private partnership that benefits job seekers and employers and strengthens metropolitan communities as a whole.

The program is funded and administered by the U.S. Department of Housing and Urban Development (HUD), and provides an opportunity to utilize proven, regional strategies to address the transportation, training and other service needs of Temporary Assistance to Needy Families (TANF) recipients or job-ready, unemployed persons. Bridges to Work will also greatly complement and strengthen other federal, state and local government and private sector efforts to promote economic opportunity through employment. Based on the positive experiences to date, HUD initially sought $10 million in FY 1998 to expand the number of Bridges to Work demonstration regions.

We believe that the National Capital Region will make an ideal site for Bridges to Work expansion and seek your support for a FY 1998 appropriation of $2 million to fund a Bridges to Work program in this region. The regional scope of Bridges to Work, its reliance on public-private partnerships, and focus on wider economic opportunity and empowerment through employment, make compelling arguments for FY 1998 funding for a Bridges to Work program in the National Capital Region. Bridges to Work will benefit from the strong partnerships already

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underway in our region and the experience of COG, which is designated as the Metropolitan Planning Organization for transportation planning.

Thank you for your consideration.

Sincerely,

Jim Moran
Representative James P. Moran

Connie Morella
Representative Connie Morella

Representative Steny Hoyer

Frank R. Wolf
Representative Frank Wolf

Eleanor H. Norton
Delegate Eleanor Holmes Norton

Tom Davis
Representative Thomas Davis

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METROPOLITAN WASHINGTON 1957 1997 COUNCIL OF GOVERNMENTS

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December 1, 1997

Honorable Linda Cropp
Chairman, Council of the District of Columbia
One Judiciary Square, Room 704
441 4th Street, N.W.
Washington, D.C. 20001

Dear Chairman Cropp:

I was asked by Council Member Sharon Ambrose to forward to you information on the Metropolitan Washington Council of Governments (COG) efforts to date in support of a coordinated, regional initiative on access to jobs. Council Member Ambrose made this request following a meeting earlier today at the *Capital Commitment* job training program and believed that the December 2 meeting by District officials with President Clinton afforded an excellent opportunity to advance this important issue.

The Washington metropolitan region, like many regions across the country, is failing to fully utilize its urban labor force, hampering our economic development and leaving many area residents inadequately trained to become full partners in our region's prosperity. This problem has fallen most heavily on the District, whose residents often lack access to rapidly growing jobs in Northern Virginia and Suburban Maryland. In addition, new federal welfare-to-work rules now require that Maryland, Virginia and the District of Columbia move thousands of welfare recipients to employment. Improved utilization of the region's workforce and welfare-to-work goals will require that regional initiatives in the areas of work force development, transportation, and social services be closely coordinated to enhance their long-term effectiveness and success.

Proposal to the Clinton Administration
The Clinton Administration is requested to support a coordinated, regional initiative to enhance economic opportunity for District and suburban residents through improved access to jobs, modeled on the Administration's *Bridges to Work* program, currently funded by the U.S. Department of Housing and Urban Development (HUD). A Washington-area initiative would address workforce development, transportation and social service needs, enabling District and inner-suburban residents to access job opportunities in the outer-suburban areas of the region. A Washington-area initiative would also build on several current Administration initiatives, including the HUD *Bridges to Work* program and the U.S. Department of Transportation's (DOT) efforts to promote *Access to Jobs*. COG stands ready to assist in convening all the relevant partners to bring this effort to fruition.

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Rationale for a Regional Initiative

We all live and work in a single economic market. The political boundaries between and among the District, suburban Maryland and Northern Virginia all but disappear when you examine our region's job market. Area workers routinely travel throughout the region to access almost 2.5 million jobs. Improved access and mobility will make our region's economy more efficient and will serve to fuel even greater job growth and prosperity.

At present and for the foreseeable future, the bulk of job growth will likely occur in the suburbs, and often in areas not easy accessed by public transportation. Yet, the District of Columbia and many of our older, inner suburban communities have an untapped reservoir of labor that has yet to fully share in our region's prosperity.

Helping to promote access to jobs involves not just transportation, but finding ways to improve the effectiveness and efficiency of our region's job training and referral mechanisms, as well as ensuring that workers have access to child care, counseling, and other human services critical to maintaining and strengthening the links forged through improved transportation.

COG's Actions to Date

COG has sought to engage our region, its elected officials, transportation agencies, private industry councils and human services agencies in a dialog on ways that we can work together to promote access to jobs for key, underserved populations in the District and our region.

COG was initially drawn to this issue through the HUD *Bridges to Work* program. *Bridges to Work* is a HUD-funded initiative currently operating in five metropolitan regions: Baltimore, Chicago, Denver, Milwaukee and St. Louis. In each of these regions, federal and private sector funding support a demonstration reverse commuting effort that links transportation and provides for a counseling and job referral mechanism. *Bridges* targets center-city individuals who are largely job-ready, but who also lack transportation and information on job opportunities in outlying suburban communities not readily or conveniently served by public transportation. *Bridges* counselors and partner organizations fill the transportation and other gaps to literally put participants on the road to economic independence through employment.

The COG Board of Directors, at the urging of former City Administrator and then COG President Michael Rogers, supported our efforts in this area and directed staff to lay the ground work for more intensive involvement and leadership by COG. The region's congressional delegation was very supportive of this effort and sought to have funding included in FY 1998 appropriations legislation (*see attached delegation letter*). Despite the delegation's support, Congress failed to include FY 1998 funding for *Bridges* expansion.

COG's emerging view on this issue is that improved mobility and access to jobs is more than just a transportation issue, and that to be successful, transportation needs must be linked with the equally challenging issues of workforce development and human services. The access to jobs issue may be viewed as three linked or overlapping circles ---- transportation, workforce development, and human services. Each circle may also represent multiple linkages, but if access to jobs efforts are to be efficient and effective, all elements must inter-relate.

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In July 1997, COG convened a small but enthusiastic group of transportation, workforce development and human services organizations to begin a dialog on how our region might better coordinate the various access to jobs initiatives underway or planned.

Since that time we have met or spoken with representatives from key federal agencies such as HUD and DOT, the Washington Metropolitan Area Transit Authority, DC Agenda, United Planning Organization and a number of local and regional organizations that share our interest in this issue and seek to work together. COG anticipates briefing our Board of Directors perhaps as early as January 1998 on this issue, and seeking their approval for COG to co-sponsor a major regional forum on access to jobs early in 1998. The purpose of this forum would be to clearly outline regional and local initiatives centered on access to jobs --- and focusing on the overlapping areas of transportation, workforce development and human services.

The outcome, we hope, would be a more formal agreement or mechanism enabling our region to embrace shared goals on access to jobs and to put in place common action strategies. Without exception, representatives of each organization contacted to date have expressed strong support for greater regional collaboration on this important topic and recognize that our region, and our workforce, will be better prepared for the highly competitive job environment of the 21st century. Clinton Administration support for a metropolitan access to jobs initiative in the Washington area would enable COG, the District, suburban governments and other private and not-for-profit organization partners to move swiftly to advance this ambitious agenda for action.

Sincerely,

Ruth R. Crone
Executive Director

cc: Hon. Charlene Drew Jarvis, COG Board Vice Chair
Hon. Sharon Ambrose
Susan Williams, Chair, Greater Washington Board of Trade
John Green, President, D.C. Chamber of Commerce

Attachment: Congressional delegation letter

Membership of the Metropolitan Washington Council of Governments

Metropolitan Washington Council of Governments

777 North Capitol Street, N.E. Suite 300
Washington, DC 20002-4239

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Internet:	http://www.mwcog.org

Information Numbers

COG Information Center:	(202) 962-3256
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Foster Care Hopeline:	1-800-669-HOPE
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Metropolitan Washington Council of Governments

Getting
it done
together

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one community

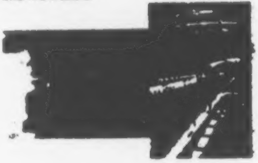
Ten cities, seven counties, two states, and the District of Columbia. The Washington metropolitan area is made up of many adjoining and overlapping governments, each responsible for issues that profoundly affect the more than 4,000,000 people who live here. Yet while governance may stop at boundary lines, issues often do not. They cross jurisdictions, demanding effective, collaborative efforts that draw upon all our strengths.

Through the Metropolitan Washington Council of Governments (COG), our region's multiple jurisdictions are able to work together as one community.

Founded in 1957, COG gives member governments and their leaders a forum for addressing issues that touch us all: transportation, environmental quality, emergency response, crime, traffic safety, child care, public health, and affordable housing. Together—and sometimes with other groups that partner with COG—members are able to develop areawide programs and approaches that resolve shared problems—and make the entire region a better place to live.

From the air you breathe to the data you need...

- COG provides area residents with the daily Air Quality Index, promotes recycling programs, and analyzes water quality trends.
- COG develops comprehensive, regional transportation plans through the Transportation Planning Board.
- COG acts as the administrative arm of the Metropolitan Washington Air Quality Committee, developing strategies to reduce emissions that cause air pollution.
- COG, as part of its work to better the environment, has spearheaded efforts to restore the Potomac River and Anacostia watershed.
- COG is a source of regional information, issue-oriented publications, Census Bureau and other demographic data, reports, maps, and documents for use by local governments, the private sector, and individuals.



STOP
PLAYING

For COG Members

COG's members are the District of Columbia; the Virginia Counties of Arlington, Fairfax, Loudoun, and Prince William, and the Cities of Alexandria, Fairfax, and Falls Church; and the Maryland Counties of Frederick, Montgomery, and Prince George's, and the Cities of Bowie, College Park, Frederick, Gaithersburg, Greenbelt, Rockville, and Takoma Park.

Through COG, local government members work in partnership with state and federal government agencies to solve regional transportation, environmental, human services, and public safety problems.

Through COG, members are able to explore ideas, share expertise, analyze issues, and identify opportunities in a way they simply could not do on their own.

COG's full membership is represented by its Board of Directors, which meets monthly to discuss issues and set policies. These policies are implemented through programs developed and administered by committees on which local officials and senior technical and program personnel serve.

In addition to creating and implementing solutions for regional issues, COG also provides these regular services to members:

- Advocacy for members at the local, state, and federal levels.
- Financial savings for local governments through COG's Cooperative Purchasing Program and Health Care Coalition.
- Expert technical training and consulting.
- Staff support for local governments in their efforts to build and implement solutions to regional problems.

For the Public

Every day, the people who live in the Washington metropolitan area reap the benefits of COG's effectiveness—from cleaner air to safer streets—perhaps without even knowing COG's name or its role in getting the job done. Also available through COG are more visible initiatives for the public's direct participation or awareness.

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Public information campaigns to notice...

- COG's color-coded air pollution warning system, alerting residents during summer months of unhealthy air quality.
- COG's campaigns for improved traffic, fire, and overall public safety.

Services to take advantage of...

- Free information and services for commuters and employers on guaranteed rides home, ridesharing, public transit, and teleworking provided by COG's Commuter Connections program.
- Free information and training on foster care and adoption provided through COG's foster care hotline, workshops, and conferences.
- COG's Information Center, filled with facts and vital statistics on the Washington area, open weekdays, 1-5 p.m.

Programs to take part in...

- Local volunteer opportunities, organized by COG citizen task forces, including environmental clean-up days.
- Summer Quest, a program that helps area children improve their reading skills over the summer, offered jointly with area public libraries.

For Community Minded Organizations

At the heart of COG's effectiveness is its ability to bring together diverse groups, reach consensus, and take action. Acting as partner or consultant, COG collaborates with businesses, associations, technical organizations, and foundations in programs that help each partner fulfill their community obligations and improve the daily lives of area citizens.

Among COG's many affiliations are:

- Wednesday's Child, developed and administered in partnership with NBC4 and the Freddie Mac Foundation, helps place foster children with special needs into adoptive homes.
- Washington Area Housing Partnership seeks to preserve and increase the region's supply of affordable housing.
- ENDZONE Partners, formed in cooperation with the Baltimore Metropolitan Council, coordinates voluntary actions of business, government, and non-profit members to decrease ground-level ozone levels and improve air quality.
- Metropolitan Washington Alternative Fuels Partnership brings together local governments, businesses, and area utilities to promote the use of alternative fuels vehicles and help create the infrastructure needed to support them.

When your community leaders need solutions, and when they have solutions to share, they turn to the Metropolitan Washington Council of Governments, serving the region for more than 40 years.

The **Metropolitan Washington Council of Governments** is supported by contributions from participating local governments, federal and state grants and contracts, and grants and donations from foundations and the private sector.

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PREPARED STATEMENT OF DR. ROBERT PARILLA

Good morning, Chairman Jeffords and Committee members. Thank you for giving me the opportunity to talk to you about the importance of community colleges in the development of a skilled workforce.

Workforce training is a topic of great interest nationally, within each state and local community, and most certainly to business and industry.

Most of us here are already well aware of the need for skilled workers in this area. As cited recently in *The Washington Post* (Chandrasekaran, 11/30/97), industry groups estimate that 25,000 technology jobs are going unfilled in the Washington area alone, a deficit that economists say is costing the region more than $1 billion a year in lost wages. I hear first hand from many leading business people in Montgomery County of jobs that go unfilled because they simply cannot find the skilled workers.

So what's the solution? As noted in *The Washington Post* (Behr, 12/1/97), companies can hire away each other's workers, resign themselves to the worker shortage and lose business, provide their workers with training, and/or expand the local supply of tech workers by cooperating with local universities, community colleges and high schools. I believe that community colleges can play a key role in providing the training and education that potential tech workers and area businesses so desperately need. Community colleges like mine have developed extensive technical curricula and are the major providers of programs that combine both skills training and grounding in general education and liberal arts.

Montgomery College has established the kinds of partnerships between business and education that are so important to workforce training. We are actively involved with our local Chambers of Commerce, the Montgomery County and Maryland Departments of Economic Development, the Maryland High Technology Council and numerous other workforce development forums. Representatives from local businesses help us develop curriculum and course offerings in their fields of interest. We work with businesses to provide "user friendly" workforce training for employees, from on-site training to flexible scheduling to distance learning courses. We also actively seek private support for workforce training efforts, often with good results.

In 1993 we finished work on our Gudelsky Institute for Technical Education, half of which was funded by generous contributions raised in the private sector. We train students in automotive, printing, and construction trades, and have numerous cooperative programs with area businesses to ensure their workers are up-to-date in the latest technologies. Last year we opened the Germantown Campus High Technology and Science Center, which was equipped in part by high tech businesses desperate for trained workers in fields such as biotechnology, information technology and telecommunications. And in 1997, Montgomery College partnered with Prince George's and Frederick Community Colleges and received a state grant to establish a Suburban Maryland Advanced Technology Center.

We have not stopped trying to expand workforce training opportunities for local residents and businesses. The College is in the process of trying to secure funding to greatly expand our Takoma Park Campus, so that we may be able to offer state-of-the-market programs in the health sciences, particularly high growth fields such as physical and occupational therapy assistants. We are partnering with several area hospitals and other health care facilities in this endeavor. Montgomery College is also working to obtain county, state, federal and private support for the state-of-the-market technology needed to train a skilled workforce. This is a huge need that must be met if training is to be adequate for the job market. Of course, we greatly appreciate federal support for workforce training, which includes this Committee's Workforce Investment Partnership Act and the National Science Foundation's Advanced Technological Education program.

While funding remains a major challenge for community colleges, we face several other problems with our workforce training efforts. With regards to technical education, we see fewer and fewer young people desiring a technical career, in large part because of the way society views these fields. Technical education has often been seen as a "lesser education," one outside the educational mainstream, and this must change. I firmly believe that technical education must become an integral part of higher education in America, standing as a partner with professional education, liberal arts and general education. In order to accomplish this, we need greater understanding and support from the community - parents, businesses, schools, higher education and public officials. A technical education is extremely valuable in today's society; it should be viewed as such by that society.

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We face another problem in preparing our students for the highly technical and skilled jobs that beckon in the want ads. Technical education for today and tomorrow's workforce is rigorous, and many individuals who enroll in our programs are simply not prepared for College-level study. As businesses will be the first to note, good workers require more than technical training. In a recent survey of the Montgomery County Chamber of Commerce on workforce training, employers indicated that educational institutions and companies should give priority to training not only in technology, computer applications and programming, but also work ethics, oral and written communication, and interpersonal/social skills.

Fundamentally, there are three skill areas that must be emphasized and taught throughout an individual's life in order to build a strong workforce for the future. First, we cannot abandon the basics. Reading, writing and arithmetic have long been staples of a skilled workforce, and that will be true 50 years from now. Too many of our young people do not have a sufficient grasp of these basics. Second, we must have stronger specific job and career skills preparation for all. This specific skill training was needed by only a few 50 years ago; it will be needed by a much larger proportion of the population today and I believe this trend will continue. As an example, automotive technicians need extensive skills training, since today's automobiles have more computer circuitry than the space capsule that carried Senator John Glenn.

Finally, individuals must learn how to get along with others, to be honest, to be flexible, to have good personal and work habits, and to understand that democracy depends on very broad understanding and participation by its citizenry. As I noted earlier, many Montgomery County employers believe there is a need to improve worker skills in this area. I suggest that good behavior and interpersonal skills cannot be learned in a community college course; rather, this education begins at home and in our communities.

Each of these three areas of individual workers skills must be taught and learned from pre-school throughout life. Helping individuals attain these skills is the responsibility of not just educational institutions like mine, but just as significantly, it is the responsibility of parents, families, neighborhoods, business, and government. Most importantly, each individual must take responsibility for his or her own education. Thank you for giving me this opportunity to address the Committee. I would be happy to entertain any of your questions.

PREPARED STATEMENTS OF NEETA P. FOGG AND PAUL E. HARRINGTON

INTRODUCTION

The purpose of this paper is to discuss several labor force and employment developments within the Metropolitan Washington area and their meaning for workforce development programs in the region. Over the decade of the 1990s, as the nation has recovered from the effects of the 1989–1991 economic recession, the city of Washington has experienced substantial employment losses and population decline while the suburban Washington area is among the most rapidly growing regions in the nation. The first section of the paper examines trends in wage and salary employment and the labor force in the city proper and the suburban area and assesses their implications for job access for central city residents. The second section of the paper provides a review of the employability characteristics of three population groups: persons who live in the suburban area, those who live in low poverty rate areas in the city, and those who reside in areas of concentrated poverty within the city. Based on this analysis, a brief concluding section is provided that discusses the meaning of these findings for human resource development programs throughout the metropolitan area.

EMPLOYMENT DEVELOPMENTS IN THE METROPOLITAN WASHINGTON AREA

Like New England, Greater Washington experienced rapid job growth throughout much of the decade of the 1980s. In fact, Metropolitan Washington was among the most rapidly growing areas in the nation during that time. Payroll employment levels in the region grew by more than 35 percent between 1983 and 1989, a rate of growth more than double of that achieved in the New England region during the same time period.

Like New England, the employment expansion in Washington was heavily concentrated in the service and wholesale and retail trade sector of the economy. Nearly one-half of all the new jobs created during this expansion were in the services industries, and an additional 20 percent in the wholesale and retail trade industries (see table 1). The dominance of the service sector in creating jobs in Metropolitan Washington resulted in continued strong demand for persons with a college degree. More than one-half of all persons employed in the services industry in the region had a college diploma of some type. The result is that the expansion in employment opportunities during the 1980s favored those persons with higher basic skills and with more education. the combination of a rapidly expanding demand for college graduates in the service sector and an already intensive employment of college graduates resulted in Greater Washington labor market becoming among the largest and most intensive employers of college graduates in the nation by the early 1990s.

Table 1: Trends in Wage and Salary Employment in the Metropolitan Washington Area, 1983 to 1989

[In Percent]

Industry	September 1983	September 1989	Absolute Change	Relative Change
Construction	80.1	152.9	72.8	90.9
Manufacturing	65.4	90.1	24.7	37.8
Transportation & Public Utilities	77.5	110.8	33.3	43.0
Trade	316.6	435.1	118.5	37.4
FIRE	94.7	31.5	36.8	38.9
Services	488.7	738.7	250	51.2
Public Administration	530.8	581.2	50.4	9.5
Total, non-Farm	1654.9	2241.4	586.5	35.4

Job growth during the 1980s was not evenly distributed across the metropolitan landscape. Employment levels within the city proper increased by more than 87,000 jobs between 1983 and 1989. Remarkably, employment levels in the surrounding suburban areas increased by 500,000 over the same period. For every one new job created in the central city of Washington more than five new jobs were created in the suburbs. Employment levels in the city increased by a respectable 15 percent between 1983 and 1989, as suburban Washington employment increased by 47 percent during the same time period. Clearly the locus of economic prosperity was rapidly shifting from the city to the suburbs during this period.

The prosperity of the 1980s was followed by a severe economic recession that began in early 1989 and lasted through 1991 that in New England and the Northeast in general could readily be characterized as the worst economic recession since the Great Depression. New England lost one in ten jobs during this period; worse the recovery from the recession has been quite slow with some southern New England states not yet recovering the jobs lost during that time.

In comparison, the Greater Washington area in general weathered the recession fairly well. Suburban Washington saw its payroll employment fall by only 3 percent. Central city Washington experienced only a 1 percent reduction in employment as cities across New England like Boston, Hartford and Providence registered double digit job losses over this period of time.

The recovery from the recession took two sharply divergent paths in the Greater Washington area. Employment levels in the suburban Washington area have rebounded sharply between 1991 and 1997. Washington's suburbs have added more than 350,000 jobs over the past seven years, representing an increase in employment since the end of the recession of 23.5 percent. Central city Washington in contrast, has instead of entering into a period of recovery, has continued to lose jobs. Wage and salary employment in the city has declined by 64,500 jobs or by nearly 10 percent between 1991 and 1997. New England and the Middle Atlantic states have in large measure recovered from the worst effects of the recession and suburban Washington has grown at a pace nearly double that observed for the nation as a whole and two and one-half times that of New England.

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Table 2: Trends in Wage and Salary Employment, 1991 to 1997

	Sept. 1991	Sept. 1997	Absolute Change	Relative Change
Central City Washington	677.2	612.7	-- 64.5	-- 9.5%
Suburban Washington	1509.1	1863.9	354.8	23.5%
New England	6046.2	6663.3	617.1	10.2

The persistent employment losses experienced in central city Washington since the early 1990s are clearly not the results of a cyclical economic change. The national economy has been expanding for the past seven years and the surrounding communities have experienced job growth rates that are among the highest in the nation. Whatever economic problems that confront the city of Washington appear to be disconnected form the general economic environment of the region and instead appear to be specific to the city.

INDUSTRY SOURCES OF EMPLOYMENT CHANGE IN METROPOLITAN WASHINGTON, 1991 TO 1997

Job losses that have occurred in central city Washington over the past six years have not been evenly distributed across major industry sectors in the city. Rather employment declines have been primarily concentrated in the government and trade sectors. Between 1991 and 1997 the number of government jobs located in the city proper declined by nearly 53,000, thus the city lost nearly one out of five government positions over this period of time. The trade sector consisting of wholesale and retail trade establishments experienced a loss of 8,100 jobs over the period. Only the service industry has posted an employment gain of some magnitude over this period of time. Employment levels in the service sector increased by more than 11,000 jobs or a very slow 4.4 percent over the six year period recovery.

Table 3: Trends in Wage and Salary Employment in Central City Washington, by Major Industry Sector

Industry	Sept. 1991	Sept. 1997	Absolute Change	Relative Change
Construction	10.7	8.5	– 2.2	– 20.6%
Manufacturing	14.7	13.7	– 1	– 6.8%
Transportation and Public Utilities	23.1	18.4	– 4.7	– 0.3%
Trade	57.3	49.2	– 8.1	– 14.1%
FIRE	34.5	27.6	– 6.9	– 20.0%
Services	256.6	267.9	11.3	4.4%
Public Administration	280.2	227.3	– 52.9	– 18.9%
Total, non-Farm	677.2	612.7	– 64.5	– 9.5%

A comparison of employment change between 1991 and 1997 for the central city and suburban Washington is provided in Table 4. The data reveal sharp differences in the direction of employment growth within individual industry sectors between the city and the surrounding suburbs. The data reveal that as the central city has lost jobs in a given industry sector the surrounding areas have added employment in these same industries. Even government employment, which has not played an important role in the economic recovery of the New England or the national labor market recovery, is growing in the suburban communities as it declines precipitously in the city. The loss of 52,000 government jobs from the central city and the addition of 42,000 government jobs in the suburban communities surrounding Washington suggests that a geographic redistribution of government employment is occurring in metropolitan Washington with government agencies expressing their preference for suburban locations by voting with their feet.

Table 4: Trends in Wage and Salary Employment in Metropolitan Washington, by Major Industry Sector, 1991 to 1997

Industry	Central City		Suburban Communities	
	Absolute Change	Relative Change	Absolute Change	Relative Change
Construction	– 2.2	– 20.6%	21.6	22.2%
Manufacturing	– 1	– 6.8%	17.8	26.3%
Transportation & Public Utilities	– 4.7	– 20.3%	13.6	16.8%
Trade	– 8.1	– 14.1%	70.3	19.7%
FIRE	– 6.9	– 20.0%	5.4	5.6%
Services	11.3	4.4%	184.7	37.3%
Public Administration	– 52.9	– 18.9%	42.1	13.4%
Total, non-Farm	– 64.5	– 9.5%	354.8	23.5%

LABOR SUPPLY AND POPULATION DEVELOPMENTS WASHINGTON

Although more than 600,000 jobs still exist in the city of Washington in 1997, well over one-half of those positions are held by persons who live outside of the city. In fact, today, only about 260,000 city residents are active participants in the labor market. Among the city's resident labor force who are employed about one-quarter work outside the city. Thus, approximately only about 180,000 of the 600,000 jobs located in the city proper are held by city residents.

The data provided in Table 5 reveal that the size of the labor force in the city proper has fallen by about 7 percent over the past six years even as the labor force in the suburban areas has grown by more than one-sixth in just six years. These data present a very mixed picture of labor force developments in the region. As overall payroll employment levels in the suburban areas continue to grow at a rapid pace, labor supply continues to expand with the suburbs adding more than 340,000 active labor market participants in the past six years. Unlike the New England region where higher costs of living have contributed to a very severe labor supply constraint and where net out-migration of younger better-educated workers is still occurring, the suburban Washington area has been able to meet its growing demand for labor of all sorts through strong net in-migration to the area. Moreover, nearly one out of four city residents are employed in the suburbs as well. Job access for city residents in the future will increasing lie in employment in the surrounding suburban areas.

Table 5: Trends in the Size of the Labor Force in Metropolitan Washington, DC, 1991 to 1997

	Sept 1991	Sept 1997	Absolute Change	Relative Change
Metro Washington	2241.2	2562.7	321.5	14.3%
Central City	281.6	260.5	– 21.1	– 7.5%
Suburbs	1959.6	2302.2	342.6	17.5%

The decline in the number of jobs in the city and the reduction in the size of the city's labor force have combined to cause declines in the overall size of the population in the city. Just released findings on trends in the size of the population of states produced by the US Bureau of the Census reveal wide ranging trends in population change among states in the nation. The new state population estimates reveal sharp increases in the size of the population in the southwest and Mountain states, with Nevada experiencing a 37 percent population increase in just seven years. A ranking of states by their rate of population growth over the 1990 to 1997 period is provided in Table 6. At the very bottom of the rankings are Connecticut, Rhode Island and the District of Columbia, each of whom have actually experienced a loss in their population since 1990.

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Table 6: Ranking of States by Percentage Change in their Population Between 1990 and 1997

Rank State	Percent Change	Rank State	Percent Change
1 Nevada	37.6%	26 South Dakota	5.9%
2 Arizona	23.8%	27 Kentucky	5.8%
3 Idaho	19.6%	28 Wyoming	5.8%
4 Utah	19.0%	29 Indiana	5.6%
5 Colorado	17.8%	30 New Hampshire	5.5%
6 Georgia	15.1%	31 Wisconsin	5.5%
7 Washington	14.5%	32 Oklahoma	5.4%
8 Texas	14.0%	33 Missouri	5.4%
9 New Mexico	13.8%	34 Michigan	5.0%
10 Oregon	13.5%	35 Nebraska	4.8%
11 Florida	12.6%	36 Kansas	4.6%
12 North Carolina	11.5%	37 Vermont	4.3%
13 Alaska	10.2%	38 Illinois	3.9%
14 Montana	9.9%	39 New Jersey	3.8%
15 Tennessee	9.8%	40 Louisiana	3.1%
16 Delaware	9.3%	41 Ohio	3.0%
17 Virginia	8.4%	42 Iowa	2.6%
18 California	7.8%	43 Massachusetts	1.7%
19 South Carolina	7.5%	44 West Virginia	1.3%
20 Arkansas	7.2%	45 Pennsylvania	1.0%
21 Minnesota	6.8%	46 Maine	0.9%
22 Alabama	6.7%	47 New York	0.8%
23 Hawaii	6.7%	48 North Dakota	0.6%
24 Maryland	6.2%	49 Connecticut	−0.6%
25 Mississippi	5.9%	50 Rhode Island	−1.7%
		51 District of Columbia	−12.4%

During the recession of the early 1990s, both Connecticut and Rhode Island experienced massive job loss associated with the recession that gripped New England. While the rest of New England has more than recovered the jobs lost during the recession, these two states have continued to struggle in the current recovery. Neither state has regained even one-half of the jobs lost during the recession. Lack of substantial employment opportunities has proven to be a major reason for population losses in both of these New England states. Our research also suggests that the population loss incurred in these states has been concentrated among younger and better educated individuals. Especially in Connecticut, the evidence suggests that a growing share of the population in the state is composed of persons with fewer schooling, who are less likely to be attached to the labor force, have less work experience, and are at a higher chance of being poor.

Given Washington, DC was ranked last with respect to population growth and unlike any other state and most big cities has continued to lose jobs for the past six years the likelihood is not small that the composition of the central city population is changing. A growing number of persons in the city are likely in neighborhoods where work is not the major activity undertaken by adults on a daily basis. As work leaves the city in favor of the suburban locations, the characteristics of those who live in the city change as well. The issue of who is left behind in the face of economic decline is discussed in greater detail below.

Social and Economic Characteristics of the Population

As noted earlier, sharp differences exist in the population growth, labor force growth, and job growth in the greater Washington area between the central city and the suburban areas. This section presents an examination of the differences in key characteristics of the population that resides in the two areas within greater Washington—the central city and suburbs surrounding the city. Population characteristics of communities within the city are also examined. The city population was classified into five groups based on the poverty rate of the census tract of their residence at the time of the 1990 decennial census. The first group consists of persons who lived in census tracts with poverty rate under 10 percent. This group represents the low poverty community. The second, third, fourth, and fifth groups consist of persons who resided in census tracts with poverty rates of 10, 20, 30, and 40 percent or more, respectively.

Poverty Rates and Concentration of Poverty

In 1989, the overall poverty rate of the metropolitan area was seven percent. The poverty rate of city residents was more than three times as high as that of their suburban counterparts in the greater Washington area, 17 percent versus five percent (table 7). Within the central city, poverty rate varied from six percent in the low poverty communities to nearly 46 percent in high poverty communities. Labor market trends in the central city since 1990 implies that the poverty problems of the city must have worsened. Job losses between 1990 and 1997 were accompanied by population and labor force declines in the city. As noted earlier, the city lost seven percent of its labor force and 12 percent of its population between 1990 and 1997. There wasa sizable migration out of the city likely to the surrounding suburban areas that experienced increases in employment and the labor force.

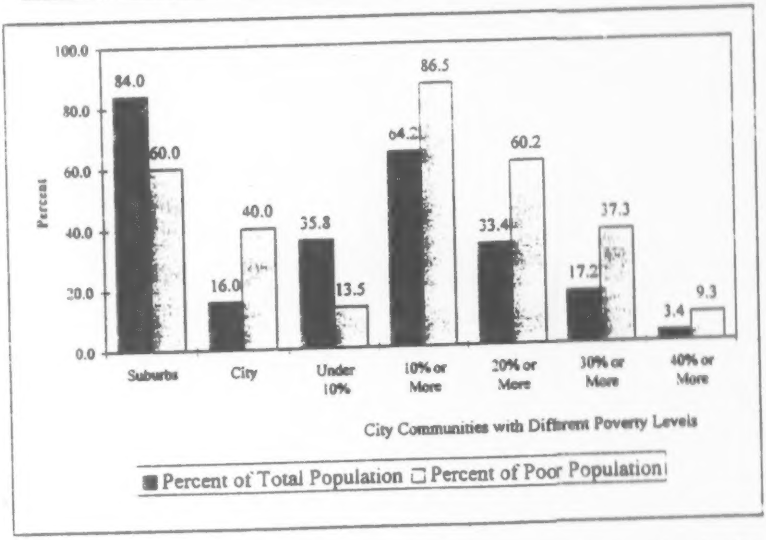
Table 7: Person Poverty Rates in Metropolitan Washington, 1989

Area	Person Poverty Rate	Percent of Total Population
Metropolitan Washington	7.0	100.0
Suburbs	4.9	84.0
Central City	16.9	16.0
Tracts within the city with poverty rate		100.0
Under 10%	6.3	35.8
10% or more	22.8	64.2
20% or more	30.7	33.4
30% or more	36.7	17.2
40% or more	45.5	3.4

Our examination of migration patterns in the New England area as well as other migration studies reveal that younger and highly educated persons more mobile and are more likely to relocate in response to economic incentives. Migration from the city most likely consisted of younger and more educated persons, particularly since public administration accounted for eight out of 10 jobs lost in the city between 1990 and 1997. Nearly 60 percent of all employees in the public administration sector in the greater Washington area were professional, technical, managerial, or high level sales workers. Nearly one-half possessed a college degree and three-quarter of all public administration employees in the metro area had some post-secondary education. Disproportionate job losses in the public administration sector in the city imply an out migration of well educated persons, leaving behind a worsening poverty problem in the city. In 1996, the poverty rate in the city was 23.3 percent or six percentage points higher than the rate in 1989.

public administration sector in the city imply an out migration of well educated persons, leaving behind a worsening poverty problem in the city. In 1996, the poverty rate in the city was 23.3 percent or 6 percentage points higher than the rate in 1989.

Chart 3: Proportion of the Total Population and the Poor Population of Metropolitan Washington Area That Resided in Different Communities, 1990



Another measure of the economic hardship of a community is the geographic concentration of poverty in the area. We have measured the proportion of the total population and the proportion of the poor population that resides in high poverty areas as an indicator of poverty concentration within the greater Washington area and within the central city. These data indicate that while 16 percent of the total metro area population resided in the District of Columbia, a staggering 40 percent of the poor metro population lived in the city (chart 3). The central city was home to a disproportionate share of the poor population in the greater Washington area. Concentration of poverty was also very high within the city. Such concentration of the poor population creates enclaves of poverty that are geographically and economically disconnected from rest of the community.

Educational Attainment of Adults

Formal educational attainment is an important prerequisite for success in the new service-industry dominated labor market. The current industrial structure in the metro area as well as the central city is heavily tilted in favor of the service sector and public administration. In 1997, these two industries accounted for nearly 6 out of 10 jobs in the greater Washington area. The occupational staffing pattern of the services industry much like the public administration sector is heavily tilted towards the professional, technical, managerial, and high level sales occupations. Because of disproportionate numbers of college graduates that work in these occupations, they are frequently labeled as "college labor market" occupations. Over 60 percent of employees of the services industry in the metro area possess a college degree. Concentration of jobs in the service industry and public administration in the central city and the entire metro area leave few employment opportunities for persons with limited education. The only employment opportunities available to these persons would be in the low wage sectors of the economy. Continuous decline in jobs in the city since 1990 further eroded the few job opportunities available to poorly educated residents of the city.

Findings from an examination of the educational attainment of adult (25 years or older) residents of the metro area and its geographic components are presented in table 8. City residents are poorly educated compared to their suburban counterparts. More than one-quarter (27 percent) of adult city residents failed to complete high school, versus only 12 percent of suburban Washington residents. Although one-third of all adult city residents possessed a college degree, they were concentrated in low poverty areas of the city. More than one-half of city residents in low poverty areas were college graduates. In sharp contrast, census tracts with poverty rates in excess of 30 and 40 percent had only 8-10 percent college graduates. More than one-half of the adult residents of these communities were high school dropouts.

Table 8: Percentage Distribution of the 25+ Population
in the Greater Washington Area by Educational Attainment, 1990

	Percentage Distribution of 25+ Population			
Educational Attainment	H.S. Dropout	H.S. Graduate	Some College	College Graduate
Metro Washington	14.6	21.6	24.8	39.0
Suburban Area	12.1	21.6	26.1	40.2
Central City	27.1	21.5	18.3	33.1
Poverty under 10%	14.2	15.4	19.1	51.2
Poverty 10% or more	34.9	24.9	18.3	21.7
Poverty 20% or more	43.5	27.2	16.4	12.8
Poverty 30% or more	46.2	27.6	15.5	10.7
Poverty 40% or more	52.5	29.5	9.5	8.6

Labor Market Status of Working-Age Residents and Teens

Large educational deficits among residents of poor communities in the city considerably diminish their opportunities in the labor market. In fact, they are largely disconnected from the labor market and their attempts to seek employment frequently fail. This is evident from their labor force participation rates, unemployment rates, and employment rates (charts 4 & 5). Labor force participation rates of suburban working-age residents was 76 percent compared to 66 percent of city residents. In high poverty areas of the city, only little more than one-half of working-age persons were in the labor force. Double-digit unemployment rates characterized residents of high poverty areas in the city with a 4 to 5 times higher likelihood of unemployment compared to city residents in low poverty areas or to suburban residents. While 74 percent of working-age suburban

Chart 4: Labor Force Participation Rates and Unemployment Rates of 16+ Population in the Greater Washington Area, 1990

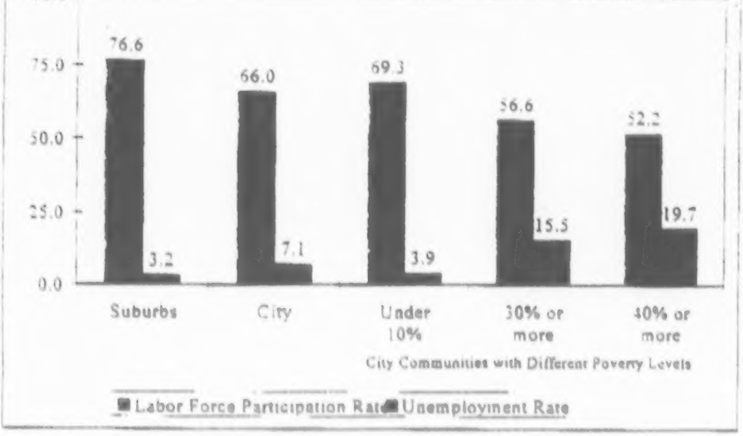
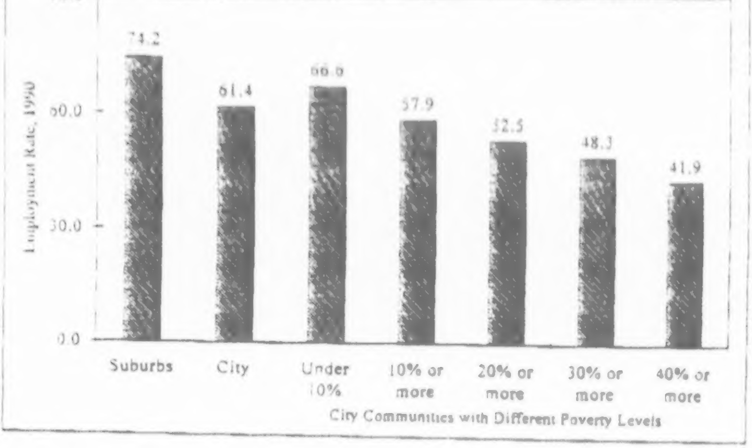


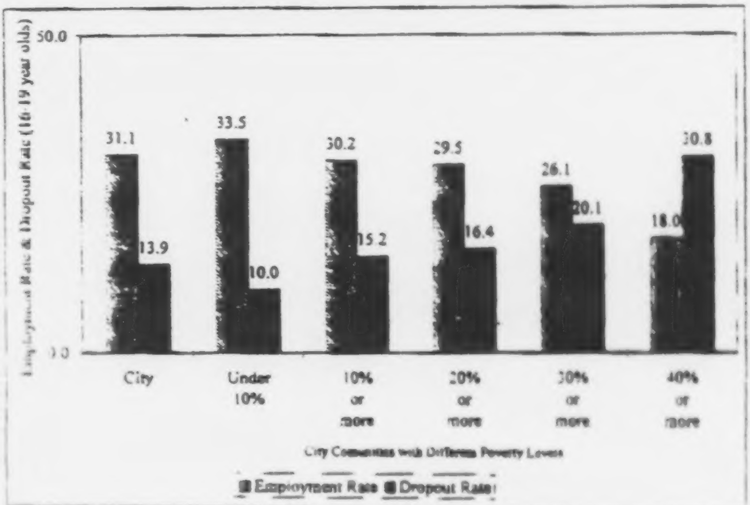
Chart 5: Employment Rates of the 16+ Population in the Greater Washington Area, 1990



residents were employed at the time of the 1990 decennial census, this ratio was only 42 percent in the highest poverty city communities.

Similar but sharper differences (between suburban versus city versus poor city areas) were observed in the labor market outcomes of teenagers between the ages of 16 and 19 at the time of the 1990 decennial census. More than one-half of all teens in suburbs participated in the labor force compared to city teens of whom fewer than 4 out of 10 were active participants in the labor force. When they did participate, teens from poorer neighborhoods were more likely to be unemployed. Low rates of participation and high rates of unemployment resulted in very low rates of employment among city teens (chart 6). Weak attachment to the labor

Chart 6: Employment Rates and Dropout Rates Among 16-19 Year Old Residents of the Central City, 1990



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market among city teens was also accompanied by a truncated schooling career. The citywide dropout rate among 16 to 19 year old teens was 14 percent (chart 6). In high poverty areas, 20 to 30 percent of 16 to 19 year old teens had dropped out of high school in 1990. These trends among the city's youth portends a very bleak outlook for their future. Youth who are not attached to school or the labor market are at a higher risk to become involved in the underground economy due to the lack of alternatives in the mainstream economy and the lure of quick money in criminal activities.

Family Structure

Family organization has become an increasingly important factor in determining the economic well-being of families. Declining or stagnant earnings of men, particularly young men with limited education, have been accompanied by a rise in dual-earner families. Wives' earnings enable such families to maintain their standard of living despite a decline in the earnings of their husband. Increases in dual earner families has also resulted from rising wages of women that attracted increasing numbers of women to work in the labor market. Out of necessity or opportunity, dual-earner families have become a norm. Married-couple families have maintained or increased their standard of living through increased labor force participation and employment of wives.

Single parent families cannot exercise this option. The absence of a spouse restricts the breadwinning capacity of these families. The householder in single parent families has the dual responsibility of child-rearing and breadwinning. A large majority of single parent families are headed by single mothers. Most single mothers start their childbearing early resulting in truncated education and limited labor market experience. Low levels of educational attainment and limited work experience result in low wages and limited participation in the labor market.

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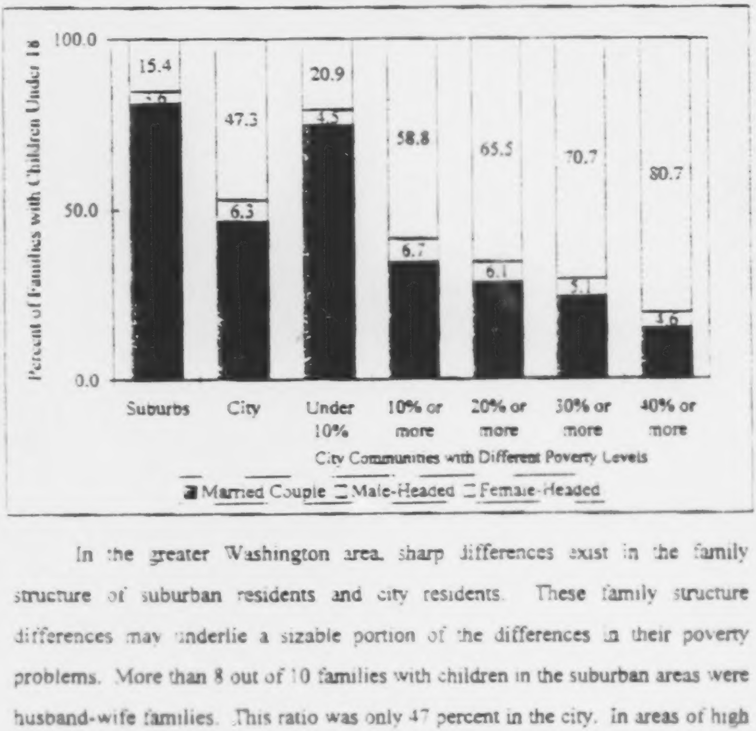
Nationwide, single-parent families, particularly those headed by single women, have experienced falling real incomes and rising poverty rates.

Chart 7: Family Structure of Families with Children in the Greater Washington Area, 1990



In the greater Washington area, sharp differences exist in the family structure of suburban residents and city residents. These family structure differences may underlie a sizable portion of the differences in their poverty problems. More than 8 out of 10 families with children in the suburban areas were husband-wife families. This ratio was only 47 percent in the city. In areas of high poverty within the city, single mother families appear to be the norm. Even in tracts with poverty rate in excess of 20 percent, nearly two out of three families were headed by single mothers. This ratio was 71 percent and 81 percent in communities with poverty rates of 30 percent or more, and 40 percent or more, respectively (chart 5).

Conclusions and Recommendations

Our data and analysis tell a tale of two cities, one located in the suburban Washington area characterized by rapid employment gains, a responsive system of labor supply that depends heavily on migrants form outside the local region, and a labor market that demands workers with strong literacy proficiencies and high levels of educational attainment. The suburban communities themselves are characterized by high levels of labor force attachment among the population and a very highly educated work force with excellent job access associated with the strong job market skills they possess.

In contrast, more than one third of central city residents live in neighborhoods of concentrated poverty, that is where the poverty rate is over 30 percent. In these communities the majority of adults at any point in time simply do not work in the labor market. The level of educational attainment in these neighborhoods is quite low. Among teens fewer than one in five work at a point in time. Residents of these neighborhoods lack a variety of skills required for employment access. While the temptation to suggest that transportation is a major barrier to employment for these individuals given the rapid job growth outside of the city we do not believe this to be the primary barrier to work. Rather, poor basic skills, low levels of educational attainment, limited work experience and a family structure that inhibits the ability for the family to supply large quantities of labor all combine to drive down job access and economic rewards for central city residents.

In our view two key steps must be undertaken to provide job access to central city residents who are being left behind during this period of strong economic growth in the region. First efforts must be expanded to provide immediate job access to those who for too long have not been active participants in the job market. Work experience is itself a form of human capital investment and we need to develop strategies to provide immediate work opportunities to central city residents particularly young adults. Over the long run economic development strategies designed to lure business back into the city may prove successful. However, the problems confronting these neighborhoods are immediate. In the absence of private sector employment opportunities for central city residents in high poverty areas consideration should be given to providing some type of subsidized employment opportunities within either the government or non profit sectors.

Secondly, it is important to note that currently one in four employed central city residents work outside of the city. Somehow these individuals solve transportation and child care problems to find work. However, those city residents who are employed have much stronger labor market skills than those without work. Strategies to employ persons in the private sector, whether in the city or in the suburbs must begin with efforts to bolster the job market skills of these individuals. This task will not be a simple one. The magnitude of the skills gap between central city residents and the new jobs being created is not small.

PREPARED STATEMENT OF LAURIE EURICK

Mr. Chairman, members of the committee. My name is Laurie Eurick. I am a Lucent Technologies director for our Minority and Women-Owned Business Enterprise programs. I am also a board member of Capital Commitment here in the DC area. Today I am pleased to have this opportunity to share with you information on what I believe has been a model relationship between private industry and a nonprofit workforce development organization.

First, however, I would like to share with you a little of Lucent Technologies' experience with educational, workforce development and business development programs for minority and women communities over the years. Lucent Technologies, through Bell Laboratories and our philanthropic foundation, has for many years sponsored undergraduate scholarship programs and graduate fellowships that help minority and women students obtain post-secondary degrees. The students who have come through these programs have been, without question, among not only the best and brightest of the segments of society they come from, but also of American society as a whole. These students have gone on to make tremendous contributions to society as scientists and engineers, educators, entrepreneurs and public servants and, many of them are today strong contributors in the Lucent Technologies workforce. The students we have supported have come from across the socio-economic spectrum, but a common thread among them was that they were bright, gifted students who were in need of only the financial support and mentorship that a high-technology company like ours could offer.

On another front, Lucent has for 30 years managed a program for minority andwomen business enterprises. This program focuses on increasing the amount and value of products and services we procure from MWBE-owned businesses annually. Our program continues to grow in actual dollar value and as a percentage of our total procurement budget annually. In our 1997 fiscal year, Lucent Technologies purchased more than $900 million in goods and services from MWBE suppliers. We continue to focus on this area and believe this type of program is beneficial both to Lucent Technologies, to the communities in which we live and work and to important segments of our customer base. We are very proud of our heritage and our successes in working with the community and with Minority and Women Owned Businesses as a part of our overall corporate strategy.

With the help of our customers and our employees, we continue to explore ways in which we can include community involvement in our business strategies. For example, in 1997, we conducted extensive market research to better understand how customers view community involvement and its importance to their purchasing decisions. The results have lead us to explore expanding our activities to include more involvement with community action organizations. Our research showed that customers believe that it's favorable for companies to be seen in their local communities and to be seen employing from their local communities. It was notable to us that this response was consistently positive for all demographic groups, irrespective of ethnicity or socio-economic level. At Lucent, we have engaged some of our large corporate customers to add more community involvement to our already successful MWBE vendor program. We continue to explore other inclusive initiatives, like Capital Commitment, and programs in Empowerment Zones, Enterprise Zones and with Community Development Centers (CDCs).

It's our work with Capital Commitment that I would like to highlight today.

Lucent has been working with this organization since 1995. We've contributed cash, equipment and volunteer resources to provide training programs in communications systems installation and maintenance. In return, Capital Commitment has provided Lucent with many skilled candidates for our telecommunications technician positions. Capital Commitment's results speak for themselves—a 98 percent placement rate with an excellent retention record in its first six years of existence. The relationship is one that's been beneficial for Lucent, and I believe it's been beneficial for the community. In short, it's just good business.

Mr. Chairman, we are pleased that you and your committee have chosen to examine how organizations like Capital Commitment are able to be successful. Clearly, one important factor is access to the resources needed to provide the quality of training necessary to qualify graduates for the highly skilled and well-paid jobs available in the telecommunications industry. We at Lucent hope that this committee will explore ways of expanding the amount of resources that can be made available from both the public and private sectors. The need for training and workforce development in the District of Columbia and across America continues to grow and far exceeds the resources that corporations and community-based organizations can commit on their own.

The following are some areas where additional resources would be useful:

Funding for distance learning centers that could be networked together to bring access to scarce training resources to local communities and community-based organizations.

Increasing the availability of capital equipment that can be used for training purposes. Good quality training programs in high technology industries can be capital intensive. This is certainly true in the field of telecommunications. Just as Lucent Technologies has moved retired equipment to organizations like Capital Commitment for training purposes, government agencies could do likewise when they upgrade their existing telecommunications facilities.

Increasing the availability of corporate tax credits and other incentives that would make it less difficult for companies to contribute resources to community action programs.

Finally, today, at a nationwide level, these kinds of workforce development programs can be looked upon as a collection of independent experiments without the benefit of formal coordination or collaboration. It appears to us that both the public and private sectors could more efficiently use their collective resources if there were national, industry-specific, strategies or plans for addressing education and workforce development in economically disadvantaged communities. Developing such plans would, among other things, facilitate the sharing of information about this and other successful programs. It would allow us to better understand not only what has and has not worked well in some communities, but also to understand why some programs succeed and others fail. Knowing that, we could find ways to create networks of community-based programs, supported by public and private sector resources, that could achieve maximum benefit at minimum cost. Our collective goal should be to improve the efficiency and effectiveness of how we use our collective resources.

After all, those resources come from the pockets of the American public as taxpayers and corporate shareholders. We at Lucent are encouraged by the results we've seen in working with Capital Commitment. We hope sharing information about our experience will lead others to support programs such as this one and that with a better partnership with government we can duplicate the successes of Capital Commitment elsewhere.

Thank you for the opportunity to share our views with your committee and we wish you the greatest success in your efforts.

PREPARED STATEMENT OF STEPHEN S. FULLER, PH.D.

Good morning. My name is Stephen S. Fuller. I am Professor of Public Policy at George Mason University. My research over the past twenty years has focused on the economy of the District of Columbia and the surrounding Washington metropolitan area.

My testimony this morning concerns the structure of the regional economy, its recent performance and near-term outlook, and the role of the District of Columbia in the health of the region's economic future. This discussion should help clarify the economic realities that will shape policies and programs that can effectively enable District residents to participate in and fully benefit from the region's strong economic future.

There are some economic facts that are important to understand as part of any discussion about the District of Columbia's economy and its opportunities for supporting future population growth and higher levels of income.

1. The Washington PMSA, with 4.5 million residents, is the sixth largest metropolitan area in the U. S.

2. Measured by its employment base, the Washington area's 3.1 million workers, place it fifth in the U. S.; we have more workers per household than any other metropolitan area.

3. The Washington area's gross regional product (GRP), the value of all goods and services produced locally, totaled an estimated $186 billion in 1997.

4. The District's economy accounted for 25 percent of the total 1997 PMSA's GRP.

5. The region's economy consists of four core industries—the federal government, the hospitality industry, technology-based businesses, and international business and related activities; these are the primary activities that drive the growth of the area's economic base. These are the primary sources of external growth. And, these core industries are ones in which the Washington area possesses significant comparative advantages relative to other regions in the nation. (6.) While these core in-

dustries are interdependent (that is, growth in one generates growth in one or more of the others), their respective economic contributions can be estimated.

The federal government spent just under $60 billion in the Washington metropolitan area during FY 1996 for all types of outlays; this accounted directly for 34.0 percent of GRP and, when factored up to reflect the indirect economic impacts of these funds circulating within the area economy, accounted for 55 percent of total GRP.

The hospitality industry, which is strongly dependent on the area's national capital functions and attractions for its comparative advantage, generated a total economic impact of just under $10 billion in 1997, or approximately 5 percent of total GRP. Technology-based business in the region, the newest and faster growing component of the region's economy, accounted for an estimated 10 percent of GRP in 1997 or $18 billion in total economic impact.

International business activities are the most difficult to measure as they are present in every sector in the local economy and often are not viewed as international because they involve business transactions that take place locally. Without getting into a long discourse on international business in the Washington area (the Metropolitan Washington Board of Trade will be releasing a comprehensive study on the area's international business activities and their economic impact in February or March), their total economic magnitude (including the activities of foreign governments, international organizations and associations, tourism, higher education, and business, financial, and technical and other professional services conservatively add up to at least $15 billion or 8 percent of GRP).

7. Three of these four core industries are strongly tied geographically to the District of Columbia—all but technology-based activities. This recognition is important in formulating economic development strategies designed to build on the inherent strengths in the District economy in attempting to jump-start the economy and position it for continued future growth and higher productivity and income levels.

8. As these core industries have experienced different patterns of performance over the past three decades and their relative importance in the District and suburban areas has changed, the economies that have emerged in the District today and in the suburbs are becoming increasingly different. The suburban economy has become more diversified and more like the economies of other metropolitan areas with the private sector accounting for an increasing proportion of new growth. This economic structure has made the suburban economies more cyclically sensitive.

When economic times are good, as they are now, unemployment drops well below the national average—its currently under 3 percent in the Washington suburbs. Meanwhile, the District economy has become more narrowly focused on federal and national capital functions. It has become less diversified. This narrow focus can protect it from cyclical forces in the national economy but if its core business weakens or declines, the impacts of this sectoral dependence will have disproportionally large impacts. That has been the result of federal downsizing that began in mid-1993 with its disproportional effect on the District employment base.

9. The consequences of these changes in the area's economic structure can be clearly seen in recent employment shifts. These have resulted in accelerating change in the area's private sector/public sector split. In 1970, almost 40 percent of all jobs in the Washington area were in local, state or federal government; today that share has dropped below 23 percent. Since the beginning of the recovery in 1992, the private sector has generated 230,000 net new jobs while the public sector has lost 50,000 net jobs.

With the decline in government jobs occur ring almost exclusively in the federal sector and in the District government, these job losses have been concentrated in the District. As a result, these sectoral changes have shifted jobs from the central city—the District of Columbia—to the suburbs. Consequently, there has been both an important structural change in the area economy with the private sector becoming the principal source of new economic activity and job growth, and an accelerated shift of economic dominance to the suburbs at the expense of the central city.

This geographic shift is common in all metropolitan areas and in most cases has frequently resulted in the relocation of the core industries from the center to the periphery leaving the central city devoid of economic drivers. Fortunately for the District of Columbia, the region's core industries are both highly interdependent as well as strongly linked to the District. So, while the job growth in the region has substantially favored the suburbs for many years, the central city remains an integral and important component of the region's economy.

10. So what does this mean for the region's economic future? The District of Columbia is an important source of the region's economic strength and future suburban economic growth. Research (Fuller, December 1996) has shown that economic growth in the District generates important economic benefits in the suburbs. On av-

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erage, for each $1 increase in the District's Gross State Product (with gains coming in business services, communications, finance, and retail trade), the resultant economic benefits captured in the suburban economy totals $1.50 or more.

11. Why is this true? It reflects the substantial interdependencies that exist among the core industries, their related or complementary economic activities, and the high mobility of labor, personal income, consumption expenditures, and capital within the metropolitan area. What this means is that there is little benefit from looking at just one geographic or political entity when attempting to forge a solution to a particular local economic problem. Solutions to the District's economic problems, such as unemployment and underemployment, slow job growth, low labor force participation, and access, to jobs do not lie exclusively within the boundaries of the District. (The same is true for any of the area's other jurisdictions.) The solutions to these problems must involve the suburban economy. Not only will the District economy and its residents benefits from enlarging the geographic basis for a solution, but the suburban economy will also benefit. These areawide benefits will include higher factor productivity (the multipliers in the suburbs are higher), a better match of labor resources to labor requirements, a wider distribution of personal income and thereby strengthening the residentially based economic activities that help to stabilize neighborhoods and support community development.

12.The principal constraint to the District's and region's economic expansion at this time and into the foreseeable future—the condition constraining realization of the local economy's full potential—is the shortage of qualified labor resources. While this problem is most visible within the area's technology businesses where current shortages are reported to exceed 18,000 in Northern Virginia alone, there are shortages in all sectors and all skills levels.

This problem points to its own solution. The key is better basic education, targeted job training and retraining, and continuing educational opportunities designed for all age groups and disciplines. Significant steps are already being implemented in both Northern Virginia and Suburban Maryland to address these shortages and shifts in job skills requirements. Similar programs should be put in place immediately in the District to take advantage of the tight job market in the suburbs and by doing so, to bring income back into the District to be spent locally, thereby simulating new local economic growth.

This, of course, is only a short-term solution but it will have immediate positive impact on the District's economy while also helping to generate additional growth on the metropolitan area economy. This is a win situation but time is of the essence. The economic conditions supporting the present strong demand for qualified workers will not last forever. With the economy expected to cool down this year and with only moderate growth forecast for 1999, taking advantage of this strong labor market now, this year and next, may be the extent of this unusual opportunity, where there is pent-up labor demand in the suburbs and surplus labor resources in the District. Conditions beyond 1999 may not be as favorable as they will be this year and next.

13. In the long run, the District's economic future will depend on producing a better qualified indigenous work force. If the better paying jobs in the District continue to be filled by suburban residents, the benefits of the District's economy will continue to leak out to the suburbs. In order to capture more of these locally based benefits within the District, while at the same time giving District residents the ability to complete for jobs anywhere in the metropolitan area, the basic educational skills of the District's residents must become competitive with those of the resident work force in suburbs. Besides preparing the District's youth for an economic future in which they can grow and benefit and contribution to the national economy, having the educational facilities and resources and reputation for quality outputs—graduates—will help make the District more attractive as a place in which to live for families with school-age children. This is key to the long-term survival of the District of Columbia as a place to live and work where the quality of life is competitive with other locations in the metropolitan area. And, without a substantial improvement in the quality of educational facilities and programs, the District's role in and contribution to the metropolitan area's economy will continue to rapidly diminish and, as a place to live, the District Will continue to experience large-scale losses of families with children. The end result of the continuation of current trends will be a monumental city and not a living and working capital city that truly could become a model for other central city- suburban solutions that demonstrate the regional and distributive benefits of metropolitan economic integration.

PREPARED STATEMENT OF GEOFFREY JONES

Thomas Jefferson High School for Science and Technology (TJHSST) is a public school offering a comprehensive program emphasizing the sciences, mathematics, and technology. The school was created through partnerships between business and industry and the governing bodies of the Commonwealth of Virginia and Northern Virginia. TJHSST is expected to be a part of creating a high-tech community in the commonwealth that will provide a strong economic future for its citizens. As a Governor's Regional School, students from several school jurisdictions are admitted on the basis of aptitude and interest in the biological, chemical, physical, mathematical, and computer sciences.

TJHSST functions as a laboratory school preparing students to enter the Twenty-first Century with a global perspective of science, the humanities, and technology which will help people see that the quality of decisions in which they participate is irrevocably tied to the process by which their work is defined. Academic and co-curricular programs stimulate intellectual curiosity, creativity, and risk-taking with the goal of encouraging independence in learning, confidence in abilities, and social and ethical responsibility for the use of knowledge. Students and staff are challenged to develop their own processes for learning and for using information as part of an ethical, cooperative network.

Working with a belief that science and technology are processes or ways of thinking and acting that blend human functions and needs with knowledge, tool use and skills, TJHSST has a fourfold charge:

- To offer programs that promote enthusiasm, exploration, and academic excellence in an evolving economic and scientific/technological community.
- To serve as a laboratory school examining and developing new methods and materials in curriculum innovation/reform.
- To foster a broad exchange of ideas and programming through outreach in teacher training, enrichment for students K–12, and networking.
- To serve as a model for private sector/public education partnerships.

Representatives from business and industry and staff of the Fairfax County Public Schools work together in curriculum and facilities development for the school. Many in the local business community provide support for the school and technical assistance to the faculty. Specialized technology laboratories, including a high-speed computational science center, are designed to integrate with the academic curriculum as well as to provide students with learning experiences in prevocational technological environments, opportunities for independent research and experimentation, and interaction with professionals from the scientific, engineering, technological, and industrial communities. The technology laboratories are:

- Aerospace Sciences;
- Chemical Analysis; Computer Systems; Energy Systems; Engineering Graphics;
- Geosciences;
- Industrial Automation;
- Life Sciences and Biotechnology;
- Prototyping and Engineering Materials;
- Microelectronics;
- Optics and Modern Physics;
- Telecommunications; and Television Production Studio.

In addition to working in the technology laboratories, students have the option of exploring vocations by becoming involved in a mentorship program. One out of every five seniors and many juniors are matched with a mentor in the private sector or government. The mentorship Program is designed to prepare students with an enhanced appreciation for the role of science and technology in the workplace. Mentorship promotes the traits of academic excellence, leadership, enthusiasm, and exploration in science and technology and supports the goals of:

- Involvement in the experience of scientific and engineering research, and project development.
- Cooperation and collaboration between TJHSST and the business, scientific, and academic, communities.
- Provision of opportunities for students to explore and be challenged in more than one discipline.
- Integration of diverse skills and abilities to synthesize new ideas and processes to solve problems.
- Development of social and ethical responsibility for the use of scientific and technical knowledge.
- Reinforcement of visual, verbal, and written communications, and interpersonal skills.

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- Development of the whole individual by fostering intellectual and social growth in an atmosphere of mutual trust and respect.

Mentorship students are placed with firms or laboratories in the Metropolitan Washington Area and are mentored by accomplished scientists and engineers. These students must plan, implement, document, and present projects chosen in consultation with their mentors.

Mentorship students are often involved in professional-level research and design, exploring topics and seeking solutions to problems that have not been previously examined. Accordingly, the students develop and refine research techniques, critical thinking skills, and problem-solving tools that can be applied throughout their academic and professional careers.

Students are excused for part of the school day in order to work at least 180 hours per semester at their mentorship locations. They are monitored in their fields of interest by TJHSST technology laboratory teachers and the mentorship coordinator. Students maintain weekly logs, write detailed papers, prepare poster displays, and give oral presentations. Many projects have been entered in Westinghouse and various science fair competitions. Students have also served as authors and co-authors on papers completed as part of their research projects.

Students have been sponsored at approximately one hundred sites by organizations including public and private sector businesses and industries, government and university research laboratories, and national museums.

Our partnerships with the private sector and the various government agencies we work with have led us to focus on five inter related goals leading to preparation for vocation. They may be familiar to some because they are similar to goals reported in the 1991 report What Work Requires of Schools: A SCANS Report for America 2000, the Secretary's Commission on Achieving Necessary Skills, U. S. Labor Department. Our goals include:

- Learning to communicate effectively and efficiently in writing, in conversation, in presentation, electronically, visually, and graphically. The foundation of all vocation is communication.
- Working collaboratively and cooperatively as a member and/or leader of teams of people who bring diverse strengths and skills. Whether employee, employer, or self-employed, all people must work well with others.
- Developing an understanding for systems and learning to think and act in ways that recognize the importance of the relationships between various units and tasks. Work is not accomplished in isolation or independently of a set of wider purposes and goals.
- Gaining experience in enterprise management that builds understanding of work flow in a variety of applications. Work is done in stages and the importance of each stage is directly related to purpose. Problem finding is sometimes more important than problem solving. Producing a marketable product often drives all other stages. Knowing systems and developing insights and instincts in enterprise management improves performance.
- Learning to manage change. Vocational tasks and roles change and most people will change vocations several times during their life. Vocations in the future will be increasingly technological and will demand even more rapid and complex change. Change, however, is largely dependent upon how people and communities manage growth professionally, ethically, and collaboratively.

TJHSST focuses on the development of people skills. Each of the above goals requires sound mastery of knowledge and content common to school curricula for centuries, but also demands a restructuring of the methods and materials of schooling. Using an integrated or systems approach to science and technology education, the TJHSST curriculum is built on the belief that students need to learn how to synthesize, integrate, and manage their coarse work through practice.

Integrating curriculum requires a cross-disciplinary approach in which students and teachers work in teams with varied technologies and expertise to define and solve problems that highlight and reinforce universal processes and principles. Students learn how systems are designed, constructed, supported, evaluated, and improved. Their understanding is reinforced through hands-on experimentation in systems design and development, and through exposure to the methods of business and industry. A principle strength of the program is cooperation and open communication among students, faculty, and business partners.

In the freshman year we require participation in a three-period course of study which combines the separate disciplines of English and biology with an exploration of technology, design, and computer applications. The students receive a strong grounding in the basics of the fields of study, but the teachers use time and application to identify and reinforce common goals and restructure the curriculum to develop the process of vocational training and exploration. The language arts are expanded to serve as the foundation for the transmission of content and understanding in the other disciplines. The study of appropriate mathematics is an integral part of the work in both design and analysis required in the community-based fieldwork and research of the program. Each of our teacher teams is affiliated with a group of professionals in research and management of agriculture, parklands, and local ecosystems. Students work in the field with their teachers and the private and public sector partners on problems and projects important to the sponsoring agency. The technologies the students become familiar with help them to use their studies to think about problems and projects more broadly and to formulate effective solutions. The flexible use of time gained through team teaching supports expanded prevocational opportunities and extended partnerships. Some of our teacher teams have been working with the same community-based professionals for over six years.

This model of cross-disciplinary team-teaching and integration of curricula is extended through other levels of the program at TJHSST. A restructured and extended school day supports collaboration and innovation. The mentorship program further connects the school and students to the community and future employers. The required senior Geoscience course is intensively computer-based. Students learn to use image processing software, geospatial information systems software, probeware and other remote data collection systems, and global positioning systems tools to partner with neighborhood civic associations, the Fairfax County Government, and private contractors to reverse the pollution of the nearby Lake Barcroft reservoir. Each of these technologies and the problem itself mirror the work of many future careers.

The business community provides direct contributions to our programs in many different ways. Our staff are helped to keep current on emerging technologies and applications through sponsored attendance at professional conferences and through access to the "white papers" of industry and government. The business community provides the political support to open doors to ideas and resources. Those resources may be cash or material and they may be regularly given or one time only, but they are well matched to need. The most important private sector contribution is time and training.

Staff development at TJHSST has many of the characteristics of the educational program we are building. The underlying premise is that people learn from others. Ideas come from people and are generated through collaboration and cooperation. The first step toward a good staff development program is to provide teachers with the opportunity to work with new ideas with their students. They need the flexibility and control to be able to experiment in their classrooms. Many of our courses meet in two- or three-period blocks directed by an interdisciplinary team of teachers. We often pilot new units of instruction in enrichment programs offered as outreach through summer school or in special Saturday classes. The revenues from the enrichment programs increase faculty compensation and permit us to purchase additional materials and equipment. Planning time, both during the day and in the summer, provides support for teachers to reflect, analyze, consult and create. The most productive planning time is spent with others, rather than in isolation at home. Some good thinking and planning takes place in informal or even social gatherings, but structured time is essential. We meet in a variety of small groups that reflect the integrated design and delivery of our program.

Sometimes teachers meet by discipline, sometimes by team, sometimes by department, and sometimes as a larger "whole" group. The key seems to be frequent meetings with many different people. The focus is on sharing information and ideas. The idea pool is expanded when our teachers meet with colleagues in professional associations, conduct or attend workshops, or write for and read publications and grants. Many of these opportunities are created by the teachers, themselves. We provide administrative leave and some substitute and summer time, but there are numerous occasions when individual teachers or a team will cover for a colleague so that a teacher can attend a workshop or conference. Reciprocity takes the form of information shared broadly. Our teachers are supported in pursuing in service opportunities through some local school money and fundraising.

The Parent Teacher Student Association and our local business people are enthusiastic partners. We host many of the workshops and in service programs in order to bring as many people as we can into our building and to maximize contact. Over 250 teachers are enrolled annually in evening and summer classes offered by our faculty. We openly welcome visitors and guest participants in all of our classes. At times, it seems the building is never closed, but we are proud to have over 2000 educators participating in some aspect of our program each year. We benefit from each contact and we have built a network that is invaluable in the richness of support and ideas it offers. We share the national goal of making "the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population." We directly serve some of the most talented young people our country may produce and we immerse them in experience and understanding in vocation. We serve a much broader range of young people through a variety of outreach programs, both nationally and internationally. Our school models programs specifically designed to "enhance the academic and vocational competencies required by a technologically advanced society." Skill standards have been established and they are directly matched to the needs and efforts of the employers in our geographic area. We have developed partnerships that optimize private and public sector funding in support of education. The mission of the school focuses on preparing students for abroad range of occupations and careers.

PREPARED STATEMENT OF CONSTANCE A. MORELLA

Mr. Chairman and Members of the Committee, I appreciate the invitation to participate in these important hearings to address the education and workforce challenges in the Washington, DC area. As the Representative from Montgomery County, Maryland, I am deeply concerned about the future of the District of Columbia. The District does not exist in a vacuum. The economic health of the District is important to the economic health of Montgomery County and of the whole Metropolitan Washington region.

When I first came to Congress in the '80s, the District government was already showing signs of the deficiencies that marked the beginning of a spiralling economic crisis. Services in the District were deteriorating, businesses were relocating, and middle-class residents were moving to the suburbs in search of lower taxes, safer streets, and better schools. From 1990 to 1995, the District lost more than 22,000 households, most of them middle-class taxpayers. There has been a lack of employment growth, and a decline in retail sales and the formation of small businesses.

For the past few years there has been a good deal of debate here on Capitol Hill about how to resolve the District's financial crisis. During the last Congress, we established the District of Columbia Financial Responsibility and Management Assistance Authority, commonly called the Control Board, which represents a temporary restructuring of the DC government and provides oversight and support to improve the District's financial situation.

During the first session of the 105th Congress, we passed the National Capital Revitalization and Self-Government Improvement Act, which would further restructure the District government by allowing the federal government to fund the District government much in the same way that state governments support their cities.

Under this latest revitalization plan, the federal government will relieve the District of certain expenses, among them the growing unfunded pension liability which was incurred by the federal government for District employees that were part of the federal workforce before home rule. The federal government also will assume a larger share of the Medicaid costs and take over the operation of the prison system. In addition, legislation calls for the creation of an Economic Development Corporation, responsible for providing millions of dollars in tax incentives for DC businesses.

The revitalization plan for the District of Columbia has just been authorized and funded by Congress, and I believe that we must allow this plan to be implemented before imposing further changes upon our capital city. The Financial Control Board has just hired a Chief Management Officer who will be responsible for the daily operations of the city. We must give Camille Barnett an opportunity to run the city and reach her goal of making "Washington, DC the model for the very best cities in the nation."

Management of the day-to-day operations of city government has been practically nonexistent and only a complete and dramatic overhaul of DC government guarantees delivery of services to the men, women, and children of the District of Columbia, the real winners in this historic realignment. The city government can now concentrate on delivering traditional municipal services to its citizens: improving police and fire services, educating its children, collecting trash, and maintaining roads and neighborhoods.

Mr. Chairman, I greatly appreciate your efforts to hold this series of hearings on education and workforce development in Washington, DC I know of, and admire, your strong commitment to education and to children, and I particularly commend your dedication to the children of the District of Columbia. You have been a leader in the *Evervbody Wins* program which encourages staff members from congressional offices to read to children in the DC school system once a week. I know that, in addition to sponsoring the program, you are also a volunteer.

I also know that you have sponsored legislation, the Metropolitan Washington Education and Workforce Training Improvement Act of 1997, to provide for a regional education and workforce training system in the metropolitan Washington area. Mr. Chairman, I cannot support this legislation because it is a no-win program for the people of Maryland and Virginia. The proposal calls for a 3-percent non-resident income tax on DC commuter wages.

I am opposed to a commuter tax on the residents of Maryland or Virginia who work in Washington, DC Thousands of the state income taxpayers in Montgomery County who work in DC would be required to file a state income tax return in Washington, DC and direct much of their state income taxes away from Maryland. This would result in a huge loss of revenue to the state of Maryland and negatively impact the services afforded Montgomery County. I feel that Marylanders who work in Washington, DC already contribute millions of dollars to the City in various taxes and fees.

Mr. Chairman, I again thank you for your dedicated interest in education and training development in the Washington, DC area. The nation's Capital has many assets. It hosts the federal government and serves as the workplace for many residents of the adjoining jurisdictions. More than 21 million visitors travel from every part of the country and the far comers of the world to the District. It is home to many fine colleges and universities that rank third in employment in the city. It is a cultural hub, with many fine museums and theaters. I would be pleased to work with you in any way that I can, short of imposing a commuter tax on the surrounding suburbs, on a plan to make the District a safe and thriving city that is a source of pride for the entire nation.

PREPARED STATEMENT OF ELEANOR HOLMES NORTON

I am gratified by Senator Jeffords' interest in the District and the region. The Senator always has shown special concern for the residents and the children of the District and has respected our rights as American citizens.

I hope that these hearings will stimulate non-parochial regional thinking about genuine regional issues and solutions, as the usual discussion of commuter-type taxes have not. There are very few true tristate regions in the country. Despite some perhaps inevitable differences, our own Maryland, Virginia and DC regional congressional delegation operates cooperatively, in part, because issues such as federal jobs and mass transportation align nicely across jurisdictional boundaries. Not surprisingly, and not unlike other interstate areas, it has been more difficult for the region to put together working coalitions on the operational level because the equivalent of three separate states and several counties is involved.

The best example of success is METRO. If history is any guide, to find a financial basis for a regional contribution, the regional partners would have to find a common cause of such overriding and universal concern that the very strong jurisdictional impediments would be overcome. One example that inevitably comes to mind is the current regional transportation crisis. Transportation is the "goose that laid the golden egg" in this region by facilitating regional growth until this became, at one time, the most prosperous region in the country. However, today the region ranks number one in the amount of time and fuel lost in traffic jams and number two in road congestion. With the federal transportation funds that have undergirded the region's prosperity in short supply because of the completion of the Federal Highway System, a regionally financed transportation contribution for mass transit and roads is cited by most analysts as at least a conceivable basis for regional financial cooperation. At the very least, METRO provides a building block for such cooperation (although METRO is one of the few mass transportation systems that has no dedicated funding source), and the dangerous condition of the Woodrow Wilson Bridge is bringing direct pressure on the region to find a shared financial solution. In any case, there are few options open to the District and the regional Maryland and Virginia counties if we are to prevent economic shrinkage of the region as a result of transportation fund and consumer exhaustion.

The region also needs to face serious educational and job training concerns, Senator Jeffords' main interests, if the region is to maintain its top economic and educational rank. However, even if educational issues do not drive the regional partners under the same tent, and other issues do, funds would be freed up for use on priorities, such as education or job training. The needs are clear but it is the wishes and the actions of the regional partners that will be determinative. It is also clear that there are regional habits and history that cannot be ignored if we are to engage in a serious and pragmatic search for regional solutions.

Again, I want to thank Senator Jeffords for preparing this series of hearings, and I look forward to the testimony of today's witnesses.

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PREPARED STATEMENT OF JAMES M. JEFFORDS

Welcome. Today we are beginning three days of hearings to address a problem that has enormous significance for the future of this nation and the lasting prosperity of our citizens. We will look at the issue of education and workforce development for the 21st century through the regional prism of the Washington metropolitan area. I believe that in the course of this hearing we will learn a great deal about how the economic strength of the Washington metropolitan region can be improved through innovative education and training systems. My goal is to bring increased focus and knowledge to the burning question of workforce development in the 21st Century while at the same time to address the specific crisis that exists in the schools of our nation's capital city.

Today we will look at the labor market shortages in information technology (IT) jobs from a national perspective and then guide that discussion to the specific needs of the Washington metropolitan region. Tomorrow, day two, we will address the education crisis that exists in the District of Columbia's public schools, and specifically the state of infrastructure disrepair which is a situation that seriously impedes the overall economic growth of the region. The responsibility held by the United States Congress to help alleviate this crisis will also be discussed. On Thursday, day three, we will focus on the region and hear testimony about innovative programs and solutions and ways to finance these plans. I think we have before us an ambitious but fascinating schedule.

Let me begin today with some sobering information. We face a national economic crisis if we fail to prepare our workforce for the high-paying technology jobs of the future. As a nation we are currently enjoying an extended period of economic strength. But we must not be lulled into a false sense of complacency by short-term economic indicators.The foundation of our economy is rapidly shifting from the manufacturing base to what is now known as the global knowledge economy. In the global knowledge economy the ability to use critical thinking skills with advanced technology will be at a premium. Technology proficiency will be required to get and keep a good job. The question looms: are We really prepared as a nation to be the leader of the global knowledge economy? Will our workers be surpassed by the workforces of our competitors overseas?

At present there are 190,000 unfilled, high-skilled, information technology jobs at large and mid-sized U.S. companies across the country. These vacancies are almost equally divided between companies that focus on technology as a product and every other-kind of company that now relies heavily on advanced technology skills to get the job done. This shows us that as we approach the 21st Century there is frightening gap between the preparedness of American workers and the new job requirements.

In the Washington metropolitan area alone there at least 50,000 jobs—with the average annual salary of $40,000—that cannot be filled by the local labor market. I have in my hands the Employment section from the Washington Post this past Sunday. There are 100 pages of jobs here! Companies have complained to me in meeting after meeting that they are forced to recruit from other states and even from other countries to find people qualified to fill these positions, a tactic that is very cost prohibitive. The Greater Washington Board of Trade estimates that if these 50,000 jobs were filled the regional economy would be boosted by $3.5 billion annually. Withthout improved education and training the iron chain of economic development surrounding our region is missing a critical link.

The challenge for our nation's capital is the challenge faced overall in our national economy. So, let's start by asking the question: how do we maximize the economic potential of the DC metropolitan region? I believe that first we must restore the vital economic resources of the District of Columbia.

The District of Columbia, as the capital of the United States is a unique economic asset that has great benefits to the entire metropolitan region. Economic studies have shown that for each dollar improvement in the economy of the District an additional $1.50 benefit results in the DC metropolitan region. This is an anomaly to other urban areas where cities normally drain resources from the suburbs.

In 1995, Congress directly resumed its constitutional responsibilities for the District. Now Congress must use this authority to restore the District's opportunity to maximize its economic potential. Recent legislation, known as the District "recovery package" provides some help, but it doesn't go far enough in responding to the grave crisis facing the District. Further it does little to improve public safety or the more critical problems of the schools, which are the foremost obstacles to economic growth for District residents and families. According to a recent poll the three top concerns of District residents are: proximity to job, public safety and schools.

From 1975, when Home Rule took effect, until 1995, when Congress asserted greater authority through the Financial Control Board, the District government failed to maintain essential municipal functions. Road, school and water system infrastructure suffered badly. Public safety standards slumped dangerously until the District held one of the highest crime rates in the country. The result was an exodus of District residents to the suburbs. In 1975 about half of the population that worked in the District lived in the District. Today, more than two-thirds of those who work in the District live in the surrounding suburbs, **taking valuable untaxed income with them.**

The most tragic toll has been taken upon the schools and the children of our nation's capital. The infrastructure crisis has resulted in chaos and late school year openings for four years in a row. Although studies show that District children enter the school system at normal learning levels, the statistics quickly spiral downward. The District has one of the worst drop-out rates and one of the worst academic records in the country. A recent standardized test reported that the percentage of DC students scoring "below basic" on reading or math (meaning well below grade level) greatly exceeded the national average. The dilapidation of the school buildings and the academic quality of the schools are major factors in the declining quality of life for District families. We should all be ashamed of the conditions of public schools in our nation's capital. A country's schools are the bellwether of its society. I fear that the stakes are very high when the schools of our capital city are in such disrepair and I hope my colleagues in Congress will be listening this week to heed this grave warning.

When Congress resumed its constitutional obligation to the District it assumed the responsibility to find a means to provide the education that Washington's children have a legal right to receive. The control board has begun to take strong action to improve the academic accountability of the school system. Congress now has the responsibility to fund the infrastructure improvements necessary to make the schools both safe and effective.

To make education in the Washington metropolitan region truly effective, students must be able to look forward to a future filled with economic potential. By taking action today to improve the education and training opportunities, students of the region will be able to fill the 50,000 jobs that are out there.

I have served in Congress for nearly thirty years, and am a long-time resident of the District. During my career I have been Chairman of the Appropriations subcommittee on the District of Columbia and now serve as Chairman of the Committee with jurisdiction over education nationwide. As such I have a deep and abiding personal commitment to resolving the plight of our capital city and to addressing the nation's overall educational challenges. I am holding this hearing to look for comprehensive options for a sustainable solution that benefits all involved.

I would like to thank the many expert and hands-on individuals who work on these issues everyday who have agreed to testify. I appreciate everyone who is here taking time to join us. Now, let's begin by looking at the regional approach.

EDUCATION AND WORKFORCE DEVELOPMENT IN THE WASHINGTON, DC AREA

WEDNESDAY, JANUARY 14, 1998

U.S. SENATE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:04 a.m., in room SD–430, Dirksen Senate Office Building, Senator James M. Jeffords (chairman of the committee) presiding.

Present: Senators Jeffords, DeWine and Dodd.

Also Present: Representatives Constance A. Morella and James P. Moran, and Delegate Eleanor Holmes Norton.

OPENING STATEMENT OF SENATOR JEFFORDS

The CHAIRMAN. The Committee on Labor and Human Resources will come to order.

This is the second hearing of three that are scheduled.

Today we will be listening and looking into the problem of the District's education system. Yesterday we spent our time looking at the region and the necessity of the region to work together in order to provide the kind of skill training necessary to provide the jobs that are available in the area, and this would improve the health of all of the region. We put some emphasis on the fact that the District of Columbia is an anomaly in the end that it is probably the only city that provides more economic help for a region rather than taking it out of the region to survive.

Today we will concentrate on the situation with respect to both the infrastructure and also the educational capacity of the system to be able to provide the children of the District of Columbia with a free, appropriate education. I am hopeful that as we go forward, we will concentrate on those issues. There are other issues that tend to get minds off of the basic problems of helping the children and onto other matters which are not really in the purview of this committee, but we will listen to those who have asked to testify or have been invited to testify.

[The prepared statement of Senator Jeffords follows:]

The CHAIRMAN. First, according to our courtesy procedure, we recognize Members of Congress first and then elected officials from the local areas that are responsible. Therefore, we will lead off today with Councilwoman Patterson. I hope that we will concentrate on the matters involving how we bring this city to a situation where its children get a good education, and hopefully, the testimony will do that.

Councilwoman Kathy Patterson was elected to the City Council in 1994 and became chair of the Council's Committee on Government Operations in 1997. Before joining the Council, she served as director of communications for the American Public Welfare Association.

Welcome, and please proceed.

STATEMENT OF KATHY PATTERSON, COUNCILWOMAN, WARD 3, DISTRICT OF COLUMBIA

Ms. PATTERSON. Thank you very much, Senator Jeffords.

As you indicated, my name is Kathy Patterson. I am a member of the Council of the District of Columbia, chair of its Government Operations Committee, and a member of the Education Committee.

Senator Jeffords, thank you for your commitment to the children of the District of Columbia, and thank you in particular for your leadership in funding school facility improvements and for your advocacy of reform.

The topic for this series of hearings is workforce development in the greater region. My testimony today focuses on issues facing the public schools; I would also be happy to respond to questions about job training in the District, since that is an issue for which I have oversight responsibility on the Council.

If you want to know the most significant obstacle to workforce development in Washington, it is in fact the DC. public schools. You need look no further than the recently published Stanford 9 test scores to see the extent to which we are failing our children. The longer a child stays in DC. schools, the more damage that is done. In the average high school in the District, fully 90 percent of students tested "below basic" in math; 56 percent tested "below basic" in reading.

These are the issues that prompted the Financial Authority in November 1996 to turn the school system upside-down. This hearing today offers an opportunity to step back and take the measures of the new leadership structure put in place in November of 1996.

Here is what the current leadership of DC. public schools is teaching our children. First, they are teaching our children that education does not matter very much. How else should school children understand the 3-week delay in school last September?

Second, they are modeling behavior that says the law does not matter. We are in an emergency, they say, and therefore, no rules apply. The audit released Monday night found that school leaders believed they did not have to follow any procurement rules or laws—not the DC. law, not the Federal law; neither apply to them.

Third, they are teaching our children that the truth does not matter. For 6 months now, school leaders have insisted in the face of documents to the contrary that the reason summertime repairs started late was lack of funds. This is known as the "big lie" technique.

In the audit released this week, five of the top officials in the public schools were cited for noncooperation with the auditors hired by the financial authority. Their report cites the chief executive officer, the chief operating officer, the chief financial officer, the general counsel, and the chief of capital projects. Each one of these public officials refused to confirm in writing the information they had provided to the auditors. These are public employees who play fast and loose with truth, and this is also insubordination in my view.

Fourth, we are teaching that ignorant action is better than no action. The new leadership has adopted a policy of retaining children at grade level based on standardized tests. There is grave harm being done today by this high stakes testing—testing without the academic supports necessary to give success a chance. It has been the perspective of the new leadership of DC. public schools and, frankly, the perspective of the Control Board to date that decisive actions such as closing schools and fixing roofs, no matter the cost to children and their education, is what you, the Congress, requested. I do not think so.

Let me share with you where the DC. public schools are headed in the next few weeks. General Becton has ordered that any teacher who is not "certified" by the end of January will be fired. The school system's personnel files are in such disarray that it is not possible to say who is certified and who is not.

Let me describe for you a few of the teachers who are on a list of 1,000 teachers the system sent out last week who are supposedly not "certified." One teacher was hired just last August, and 4 months later, the personnel office has already misplaced her files. Another is a highly-regarded secondary English teacher. The personnel office does not know what to do with her, because she is dual-certified in French and English; so for them, she us uncertified. This is a policy disaster waiting in the wings and waiting to happen in just 2 weeks' time.

Here is a second headline waiting to happen. The school system might be shut down by a strike on February 1. The Teamsters local that represents engineers and custodians took a strike vote in December aiming at action in February. These are the engineers who keep the boilers running to heat the schools, and make no mistake, in the middle of winter, they could shut down the system.

These support staff workers have not had a pay raise in nearly 10 years, despite the fact that they have won arbitration awards, including one upheld by the courts. But the pay awards have not been honored by the school system or the District Government. As the clock ticks away, the bill goes up. This issue awaited the Trustees and General Becton when they arrived 14 months ago. Because of inaction to date, a potential strike is just 2 weeks off.

Today affords an opportunity to reassess the action taken by the Control Board in 1996, and I would respectfully ask you, Senator Jeffords, and your colleagues, to do nothing legislatively in the wake of the appeals court decision, but to use your considerable prestige and influence to encourage a reassessment by the Control Board, working with local elected officials.

A few words on where I think a reassessment could take us. We need to build on what works. School reform is possible; it has been proven elsewhere—in Chicago, for example, where the budget was scrubbed, and managers were fired, and illegal procurement was punished. Education reform is possible. We know universal pre-kindergarten works. We know small schools and small classes work.

To effectively develop our workforce, we need real and lasting participation from the private sector. The District is currently without a functioning private industry council. Business participation in the School-to-Work Council is negligible. DC. public schools have never welcomed participation from the private sector, although we know from experience elsewhere that that is critical.

We need to stop setting unrealistic expectations. It was foolish to even think about working on 50 schools in a single summer. The idea of requiring teachers to be certified certainly is sound, but first the system has got to clean up its personnel shop.

We still need to scrub the numbers. The system certified a student count of 77,000, and it was immediately challenged by demographers based on updates of Census data. The last time the system did an actual head count, the total was 68,000 students.

Finally, we must build a school system that takes its strength from the community. If the appointed leaders are unwilling or unable to work with parents and teachers and with elected officials, they will fail to build an education system that works for children. Arrogance does not improve education; willful disregard for truth does not improve education. Anyone in the upper echelons of the system who refuses to acknowledge who the stakeholders are and refuses to work with those stakeholders—and they are parents and other District residents—should be removed from office.

Senator Jeffords, today, the financial authority standards responsible for the operation of our schools. General Becton remains as their chief executive officer. Please help us hold them accountable for the sake of the children you mentioned so eloquently in your own opening statement.

Thank you. I would be happy to respond to questions.

[The prepared statement of Ms. Patterson follows:]

The CHAIRMAN. First, I am pleased to be joined by Congresswoman Morella and Congressman Moran from the area here, and I know they are as interested as all of us are on the region itself and how we can best improve it.

With respect to your testimony, Ms. Patterson, you concentrated on a number of areas which I think our next panel will best answer; but I would say with respect to the closing down of the schools, having been one who has been responsible for getting the money to do that, I can assure you that I have watched very carefully what has gone on. I was also present at the Board of Trustees that was appointed on one of the nights when they were discussing a court order, and this is important to remember. These schools were closed by a court order, by the judgment of a judge who, no matter that others felt that the schools could be kept open during the repairs, felt very strongly that the schools ought to be closed.

I would like to praise Parents United for bringing awareness to this city of the incredibly bad situation that the infrastructure is in. She felt in good conscience that the best way to emphasize that so that Congress and others would take notice of it was to close the schools, and obviously, that has been very effective. We did take notice.

But to suggest that these emergency repairs were done and the schools closed because those who were doing it felt it was necessary from my understanding of the issue is not correct, and that those repairs could have gone on without the schools being closed. Now, that is a matter of judgment, and I just want to bring that to your attention, because I worked hard with Connie Lee and Sallie Mae privatization to get some $50 or $60 million so the schools could get repaired.

Another matter I would like your comment on is that these situations have existed for some time. For instance, the one which is threatening the present strike of the workers has come about as a result of twice the results of a board being ignored in providing a raise to these individuals. This was when you and others in the city were in power. So it is hard for me to understand the connection with respect to responsibility to the present administration, which is trying to deal with things which were created when it was under local control.

Would you comment on that?

Ms. PATTERSON. I would be happy to. As you know, this is an issue that has been ongoing since 1987, and there is lots of blame to be apportioned throughout the elected leadership of the district—the School Board, the Council, the Mayor—throughout that period of time. You are absolutely correct.

When the current leadership came into power in November of 1996, this issue was one that was awaiting them; that is absolutely correct. I raised this issue in the course of doing our budget last May and last June to make sure everyone understood that funds need to be identified in the 1998 budget to cover the cost of some of the back payment of the wage increases owed and upheld by the courts, and that has not been done to date. Those funds have not been budgeted, have not been identified and have not been allocated for this purpose—and that, let me just say, in a time frame from last May and June when the issue was raised in the course of the budget, so I do hold them responsible.

The CHAIRMAN. Who is "them"?

Ms. PATTERSON. The leadership of the DC. public schools who are administering a multimillion-dollar budget.

The CHAIRMAN. Why are they responsible? The money has to come from the Congress, the Control Board, or through the City Council, is my understanding. I do not think there is any money budgeted for that.

Ms. PATTERSON. There actually was $4 million in carryover funds that had been set aside by the previous leadership of the school system prior to General Becton arriving in November of 1996. So that $4 million did exist and has been set aside, and I believe $2 million of that is remaining.

In terms of coming to terms with a workforce issue, the people who are in charge of the school system today are the chief executive officer, General Becton; it had been the Emergency Trustees until their power was questioned last week; and the Financial Authority. So in terms of how they spend those dollars, I believe that is the chain of command, and it is an issue that I have been raising with them on a number of occasions. So maybe I am not clear with your question as to why they are responsible. Frankly, they are responsible because they are operating the system right now, and they are allocating the budget.

The CHAIRMAN. But they inherited these problems from when you were in control.

Ms. PATTERSON. That is absolutely true, that is absolutely true—not me, personally, but the elected leadership.

The CHAIRMAN. Right. I mean the City Council and the school board.

Ms. PATTERSON. Yes.

The CHAIRMAN. With respect to the students, I am a little confused as to what your concerns are. You have outlined some, but if you have found that you have an educational system which is so bad that the kids are not performing, and then you take a look at some of their actions and are critical of them, you are in favor, then, I take it, of social promotion and continuing to pass the kids through even though they do not meet standards?

Ms. PATTERSON. I am in favor of children learning. I am in favor of children learning to read and learning math, absolutely. But if you put a policy in place that is structured in such a way that you create the opportunity and almost certainty for failure, then you are not helping those children.

Yes, I favor looking at ending the policy of social promotions, but in a systematic, comprehensive method, so that you provide the additional reading instruction, you provide the additional math instruction. There are principals with whom I have spoken who are still waiting for some of that assistance to follow the policy articulated 6 months ago.

The CHAIRMAN. But their plan is to do that, as I understand it, and their plan is to do it this summer——

Ms. PATTERSON. That is their plan—excuse me, Senator Jeffords—that is their plan.

The Chairman [continuing.] And you say that they should not do it this summer, I believe.

Ms. PATTERSON. No, I did not say they should not do it this summer. What I am saying is that when you implement a policy, it would be my hope that you plan for its success, not for its failure. You do not just articulate a policy in the absence of planning for it. And the planning for that policy should have been underway as the policy was articulated. But what I am telling you is that the policy was articulated 6, 7, 8 months ago, and the supports are still not in place at the local school level according to teachers and according to principals.

There are principal who are trying to buy practice tests for their children to use because they do not have the educational supports, the additional teaching support—they do not have what they need from the central administration. That is what I am saying.

The CHAIRMAN. So are you saying they should be able to teach to the test?

Ms. PATTERSON. That is what many are doing.

The CHAIRMAN. Should they be able to? Is that the system you would advocate?

Ms. PATTERSON. No. I am explaining to you what happens when people are under pressure.

The CHAIRMAN. But that has been the problem, has it not? In the past, my memory, going through this—and I was chairman of the subcommittee—is that the policy which I think has been fully uncovered was to teach to the test, and not only that, but to use the same test every year, dating from the seventies.

Ms. PATTERSON. No, I do not favor teaching to the test. I favor putting the standards and the curriculum in place to promote a successful policy having to do with social promotion.

The CHAIRMAN. That is my understanding of the policy of the present school administration.

Ms. PATTERSON. That is the policy. And what I am sharing with you from the perspective of a parent in DC. public schools as well as a policymaker is that from the local school level perspective, there are teachers and principals who are very talented and very dedicated who do not believe they can make this policy work with the support that they have today. That is what I am saying.

The CHAIRMAN. You also criticize them for trying to find out who is certified. Isn't it a good idea to know who is a certified teacher and who is not?

Ms. PATTERSON. Absolutely it is a good idea. And we have a lot of teachers who do a very fine job, and we have a lot of teachers who do not, and that is one mechanism to try to get at the issue of what teachers are qualified and what teachers are not. The problem, however, is that the personnel system and the personnel files are in such a State of disarray that no one in the central office, the personnel office, can say who is certified and who is not. I just gave a couple of examples.

The CHAIRMAN. Well, those problems were from the past administration; I am well aware of the mess in all of the city government on files and so on. So that is not the problem created by——

Ms. PATTERSON. So that is not a problem created by——

Ms. PATTERSON. But with all due respect, Senator Jeffords, I would think that 14 months would have been enough time to have straightened out personnel files. I would have hoped so. And it seems to me that needs to predate setting a target to kick out teachers who are not certified. It seems to me you have got to clean up your systems before you can then soundly implement a sound policy.

The CHAIRMAN. Well, I know enough about the city's system to know that to straighten anything out is difficult, and the time involved when you do not have any kind of filing system, no modernization, no computers, rotary telephones, and so on, and to hire new people and get them to come in here and expect that upon arrival, they could immediately transfer a system which has been notably horrible——

Ms. PATTERSON. I am not saying immediately; I am saying within the 14 months. And we are not there yet.

The CHAIRMAN. Any other questions?

Ms. Morella. If I may given an opening statement, whenever you want me to, but actually, I would ask Councilwoman Patterson, from looking at your testimony, what you are saying is that there is no accountability.

Ms. PATTERSON. Absolutely.

Ms. Morella. There is no "character counts" or value of education. They do not know what the numbers are even now. I mean, they just recently came up with a figure about the number of children who are in the school system. The cost is higher than any of the other regions, and there is not a functioning private industry council. I thought there was one. Maybe I——

Ms. **PATTERSON**. I think we are trying to constitute our private industry council now for the third time in 6 months.

Ms. Morella. That is an area where we are trying to work together in the region. We are trying to bring Montgomery County in Maryland and Virginia all into functioning to look at this whole problem. So I guess I see your testimony and your thesis pretty clearly.

Thank you.

The **CHAIRMAN**. Congressman Moran?

Mr. Moran. Senator, I have an opening statement, too, that is of a more general context. I will just suggest to Councilwoman Patterson that, just as you have not been on the City Council all that long that anybody should hold you responsible for the problems that the District of Columbia is encountering, I am not sure how fair it is to be holding, at least by implication if not explicit charge, General Becton and the Board of Trustees of the educational system responsible for a situation that took decades to be established.

One of my problems is that as we hear from witnesses, too many take the approach that this is somebody else's fault, and let me use my time to tell you how bad they are, rather than coming up with the kind of constructive solutions and giving us the attitude that everyone wants to work together to establish a better school system on behalf of the kids. The kids are invariably the pawns in what often are political tests of will.

But having said that, I do not have any criticism of you, and I do not know that much can be accomplished by addressing your specific statement, either.

At some point when it is appropriate for the chairman, I wanted to make some comments about the hearing as a whole.

The **CHAIRMAN**. Yes, as soon as this witness has concluded.

Ms. **PATTERSON**. Congressman, could I respond to your statement, sir?

Mr. Moran. It is up to the chairman.

The **CHAIRMAN**. Yes, please go ahead.

Ms. **PATTERSON**. Thank you very much.

Congressman Moran, I am not suggesting that these issues do not take time to address. Obviously, they do. What I am suggesting is that school reform has got to happen, and there need to be benchmarks, and there needs to be accountability.

When you look at other school systems that have brought about significant reforms—just compare the District with Chicago, a much bigger system—the problems are no more complex, but they are certainly larger there. They have made in my view much greater strides in the first 14 months of their reform effort than we have made here, and what I am suggesting in my testimony is that given the appeals court ruling last week, given a major critical audit this week, I am encouraging the financial authority, the Control Board, to step back and reassess what it is wrought as of November of 1996 and to say perhaps we need a midcourse correction, what is working and what is not, toward our longer-term goals.

That is really what I am suggesting, and I believe that that is constructive. I have been working on school reform for at least the last 5 or 6 years with anyone who will work with me, and that includes some but by no means all of the current leadership.

Mr. Moran. Thank you. I understand you are one of the more constructive members of the Council, and I appreciate that.

Thank you.

Ms. PATTERSON. Thank you.

The CHAIRMAN. Congresswoman Norton?

Ms. Norton. Mr. Chairman, I want to apologize to Councilwoman Patterson, who is a very hardworking and constructive Council member, that I was forced to miss her testimony; I know I will be able to hear it from her directly. And I want to once again thank you for your deep interest in the District and you work in calling and organizing these hearings.

The CHAIRMAN. Thank you.

Ms. Morella. Senator Jeffords, could I just ask Councilwoman Patterson, since she mentioned the court decision, what is your opinion of it?

Ms. PATTERSON. My opinion is that it was an extraordinarily well-written statement, and I would encourage you all to read it. It is fairly short.

I think it served a couple of useful purposes. It served as a wake-up call to the financial authority to think about the action that they took and whether they do need to revisit it. I recall September 4, 1996 when the financial authority had a long, rigorous hearing in Martin Luther King Library, took to task all the then leaders of the public schools, and at the end of that hearing, a 5-hour hearing, Dr. Brimmer and his colleagues said: Congress has given us the responsibility for DC. public schools, and we take that responsibility seriously. We are, Congressman Morella—we are—accountable, we are responsible, and we will address these problems.

And what I think the court decision permits is for the Control Board to go back to that decision and ask itself some serious questions.

The CHAIRMAN. The next witness will be able to help us in regard to that question.

I am going to defer opening statements until after the next witness, because he has to leave here by 11 o'clock, so I would prefer if we wait.

Thank you for coming, Councilwoman Patterson.

Ms. PATTERSON. Thank you very much.

The CHAIRMAN. Our next witness is Professor Jamin Raskin, who teaches law at American University's College of Law in Washington. His areas of specialty include constitutional law, criminal law and procedure, local government law, and he is an expert on issues pertaining to the District of Columbia. We need you, and we are fortunate to have you with us, and I look forward to your testimony.

STATEMENT OF JAMIN B. RASKIN, PROFESSOR OF LAW, AMERICAN UNIVERSITY, WASHINGTON, DC

Mr. RASKIN. Thank you, Senator Jeffords. You have asked me to talk about the narrow and discrete question of the constitutional relationship between Congress and the District, and I am very happy to do that.

I should reemphasize what you just stated, which is that I am a professor of constitutional law. I am not an expert on education, as my students would be the first to tell you.

The CHAIRMAN. Well, I want to say that the reason why you are here is that I keep getting the feeling from some members of this body that that is their problem, not our problem, so I want to get your advice on just whose problem it is and what our responsibility is. Please proceed.

Ms. Morella. Senator Jeffords, you made a very good choice in selecting Professor Raskin to testify. I can confirm that. He is somebody who does know the District of Columbia and cares very much about it.

Ms. Norton. Would the gentlelady yield?

Ms. Morella. Yes, indeed.

Ms. Norton. May I also say that Professor Raskin is a resident of the State of Maryland who believes in full democratic rights, including Statehood, for the District of Columbia.

Ms. Morella. He happens to be my constituent.

The CHAIRMAN. OK.

Senator DEWINE. Mr. Chairman, we do not have a copy of the written statement; is that correct? I do not have it, and I just wondered if we have one.

The CHAIRMAN. We do not have one.

Senator DEWINE. Thank you very much.

The CHAIRMAN. I have a feeling I know what he is going to say, but I do not have it in front of me.

Please proceed, Professor Raskin.

Mr. RASKIN. Well, Senator, the Constitution gives Congress the same powers over the District that States have within their own domains, no more and no less. In 1899, the U.S. Supreme Court stated that Congress "may exercise within the District all of the legislative powers that the legislature of a State might exercise within the State, so long as it does not contravene any provision of the Constitution of the United States." And there are several other subsequent statements by the U.S. Supreme Court stating exactly the same thing, that the relationship between Congress and the District is the same between the States and their people.

So Congress does have a structural responsibility for education in the District, and this is a responsibility that must be executed in a constitutional way. In 1954, when the U.S. Supreme Court struck down racial segregation in the schools in the States under the 14th Amendment, it also the same day struck down racial segregation in public schools in the District of Columbia as a violation of the Fifth Amendment. This was Bolling v. Sharpe, which is the unsung companion case to Brown v. Board of Education, and the case that ended a century of congressional segregation of the public schools in the District.

Even after Bolling v., Sharpe, however, Congress oversaw a system of what Judge J. Skelly Wright in 1967 called "racially and socially homogenous schools" that "damage the minds and spirits of all children who attend them" and "block the attainment of the broader goals of democratic education."

In Hobson v. Hansen that year, the Court found that the congressionally-appointed school board, which had a maximum quota of three black members of nine, had effectively segregated the schools by race and class and created "optional zones for the purpose of allowing white children,' trapped' in a Negro school district to' escape' to a white or more nearly white school, thus making the segregation of public school children more complete than it would otherwise have been under a strict neighborhood assignment plan."

The Hobson Court also found that teachers and principals were being assigned according to their race and according to the race of their students, that a tracking system was being used to divide students according to race and class, and consigned many DC. schoolchildren to an inferior and demeaning education, and that reading scores consistently fell behind the national norm in each grade.

So, although Congress has an ultimate constitutional responsibility for schooling in the District, it is one that it has not always lived up to except by court order. And even now, we see with the Emergency School Board of Trustees appointed by the financial authority that there are legal problems again in the way that this power has been implemented.

So that now would be a good time to figure out how Congress can best fulfill its very real obligations to the District and its children, and you are to be congratulated for bringing these hearings together.

I would just make two final points. First, unlike the citizens of the 50 States, residents of the District have no State constitution to fall back on in order to demand equality of resources and excellence of result in the educational process, something that has taken place in dozens of States, including your own, as you know, where there is litigation going on in Vermont right now about equal funding of schools in the various districts.

So the U.S. Supreme Court's decision in San Antonio v. Rodriguez, which held that education is not a fundamental right and that disparate funding of schools does not violate equal protection under the Federal Constitution, is the bare and controlling legal framework for the District.

This makes it all the more important that Congress itself take the rights of the people and the needs of the children seriously. As the Court put it in Brown v. Board of Education, "education is perhaps the most important function of State and local governments."

But second, this is a delicate matter, since education, as the Court observed in Rodriguez and in Milliken v. Bradley, is also a public function jealously guarded by local governments themselves, one in our Nation's history that has been traditionally the province of the local community. So Congress must also act with maximum respect and deference for the wishes of the local population and its elected officials, the American citizens who live in the District.

Thus your presumption should be that matters of fundamental educational policy should be decided by the local school board and elected officials so long as they do not implicate an independent Federal interest that would justify congressional action under the District Clause.

On matters of proposed departures from basic educational policy, such as the school voucher proposal currently in place, for example, Congress should allow the District to make up its own mind in the way that every locality in American is getting to choose for itself on this very issue. Nothing could be more averse to the spirit of federalism and local control over education than to have Members of Congress elected from other jurisdictions deciding such basic matters for the people of the District themselves.

We must never forget that the District is part of America, and its citizens have all the rights of other Americans. In 1933, in O'Donoghue v. United States, Justice Sutherland explained why District residents may not be treated as second-class citizens. He said: "It is important to bear constantly in mind that the District was made up of portions of two of the original States of the Union and was not taken out of the Union by cession. Prior thereto, its inhabitants were entitled to all the rights, guarantees, and immunities of the Constitution," and they still are.

Justice Sutherland quoted the Court's opinion in Downes v. Bidwell to the same effect, emphasizing that the District Clause had not subtracted constitutional rights from the people who already had them: "This District had been a part of the States of Maryland and Virginia. It had been subject to the Constitution, and was a part of the United States. The Constitution had attached to it irrevocably. There are steps which can never be taken backward. The mere cession of the District of Columbia to the Federal Government relinquished the authority to the States, but it did not take it out of the United States, or it did not take it from under the aegis of the Constitution. Neither party had ever consented to that construction of the cession. If, before the District was set off, Congress had passed an unconstitutional act affecting its inhabitants, it would have been void. If done after the District was created, it still would have been equally void; in other words, Congress could not do indirectly, by carving out the District, what it could not do directly."

So in closing, I would say that you walk a kind of tightrope here, the way that all States do when they get involved in the fundamentally local issue of education. One the one hand, you have a basic constitutional and indeed moral responsibility to see it to it that excellent education for meaningful democratic citizenship is made available to all children in the District regardless of race, ethnicity, language, income, geography and disability; but on the other hand, as much as possible, you must respect the basic American principle of local control over education, democratic participation, and "one person, one vote." These, I would see as your constitutional responsibilities.

Thank you.

[The prepared statement of Mr. Raskin follows:]

The CHAIRMAN. Thank you. Incidentally, you did fax your statement last night, but I was the only one who had a copy of it this morning, so we will make sure that other Members have it.

I want to welcome Senator Dodd here to be with us this morning.

Professor Raskin, first of all, I appreciate the time and effort that you have put into this. To me, this is a very, very, critical question for those of us who are Members of Congress to understand what our responsibilities are.

I would like to just understand a little better the recent decision about delegation. It seems to me that the primary delegation should be to locally-elected officials whenever possible, but that when necessary, as we found it under this situation, we could establish at least interim a board with the authority to rectify what would certainly be a constitutionally risky educational system, but however, that board could not re-delegate it, and therefore, the decision came about.

Is that a fairly accurate description of the decision?

Mr. RASKIN. That is an excellent description of the decision in the case.

I would just say on this point that other cities, of course, have gotten themselves into the same mess that the District is in, and other States have been forced to take some of the kinds of actions that Congress has taken. There is a special sensitivity in the District, of course, because in those other cases, the takeover had something of the character of the people taking over one part of their Government with another. That is, when there were control boards installed in New York, for example, the people of New York were represented both in the State legislature that engineered the takeover as well as in the city government, and so they did not experience it as an invasion by outsiders.

I think that one of the difficulties and problems with the situation in the District is that because there is no voting representation in Congress, despite the extraordinary efforts of Delegate Norton, it has been experienced somewhat as a takeover from the outside.

The CHAIRMAN. I would just point out, perhaps because I was the author of it, that in the original legislation, which we passed in 1996, which established the system, we did not re-delegate. We made it advisory. And that was by luck, I would say, rather than from any understanding of the Constitution. But I understand where the Court was coming from there.

Now, the critical question that we have, I believe, as a body is where we stand with respect to the infrastructure. The ability to fund that is very, very precarious right now. From information I have, there is no ability to get a dedicated revenue source from the District at all.

You pointed out earlier in your testimony that Congress has a structural responsibility for education in the District. Would infrastructure be a structural problem in the sense that we are responsible for providing the funds, when and if necessary, to correct that situation?

Mr. RASKIN. Absolutely, I would think so. I do not know of a single school district in the country that does not receive independent funding from its State Government. And again, to the extent that we want to draw an analogy between your relationship to the District and that of a State to local school boards, then I would say that there should be some financial obligation there.

The CHAIRMAN. I appreciate that answer.

As I said, we will hold opening statements until after Professor Raskin has concluded, but now, are there any questions?

Congresswoman Morella?

Ms. Morella. I know now why lawyers have that epithet of, "On the one hand...and then, on the other hand...," but your testimony was very thoughtful, and I appreciated it.

Let me pick up on the last point that Senator Jeffords mentioned, and that is that Congress has already been doing something with regard to the District of Columbia schools. We passed the revitalization plan, which I think is a very good one. The Control Board has hired a chief management officer, and the city government can now concentrate on delivery of services, the municipal services that are expected, like educating its children.

I just wondered if you might comment on the work of Congress so far in this regard and the Control Board's role in running the school system. In other words, my feeling is that we have been doing our part, as you say, State to local, Congress to District of Columbia.

Would you like to comment on that?

Mr. RASKIN. Well, obviously, it has not been a completely smooth process that is taking place, and the recent Court holding I think underscores the fact that a lot of people were very surprised by the creation of the Emergency School Board of Trustees. And kids are not oblivious to the politics taking place all around them and that there are constant power struggles over who is going to be running the schools.

So I would say that the constitutional relationship between Congress and the District of Columbia is an anomalous one; it is unique in America, and so there is this constant conflict and dynamic between Congress being a necessary State actor and also wanting to cede to the local population the same kind of democratic control and participation that everybody else in America gets.

All I can say is that, having looked at this historically, it works best when there is a process of constant consultation and communication between Congress and the local leadership, and I do think, Congresswoman Morella, that this has been an improving dynamic over the last couple of years.

Ms. Morella. Thank you.

The CHAIRMAN. Senator Dodd?

OPENING STATEMENT OF SENATOR DODD

Senator DODD. Thank you, Mr. Chairman.

I was not here on Tuesday, but I just want to commend you immensely for doing this. Others may have said it to you already, but I think what you are doing is terrific. In my tenure here, I think this is unprecedented, and I regret that when we were in the Majority, we did not do this. This is not a situation that just happened in the last year or so; this is a situation that has been growing for many years.

Obviously, we all come from different parts of the country, except for those, obviously, who represent the immediate area, as our colleagues who are here today do, in Virginia and Maryland, and obviously,Eleanor from the District, but we take pride in the fact that we spend a good part of our lives here as Members of Congress. And aside from the constitutional arguments which I think are interesting and as you point out in your testimony—which we just received, by the way—the question of local control in education is a very important issue for people all across this country. But aside from all the legalese, I just find it incredible that we have 535 Members of Congress here who, on a regular basis, spend their lives in the Nation's Capital, blocks away, walking distance, from schools that are falling apart and in desperate need of help.

Now, you can put all the legal arguments aside, but it seems to me there is an incumbent responsibility on those of us who come to the Nation's Capital to want to do something about an issue as fundamental as education. So I commend the chairman of this committee for inviting all of us to analyze this issue and to focus some attention on it and how we might play a more constructive role in all of this.

This is not unique. I come from Connecticut, and Hartford, CT has recently gone through a similar situation with its educational system. We tried privatization, and that failed, and now we have a control board that has taken over in effect, and we are trying to sort it out.

I have a sister who teaches in the Hartford public school system, and it is an agonizing experience for her to go through, not knowing from day to day, week to week, or month to month what the situation is going to be.

Again, many of us are trying beyond just our legislative functions to do some things very personally as well. As a result of Eleanor's request, I was pleased to be able to have two or three young students in my office this past fall because of the delay in opening the schools here. I had two or three interns who were terrific young people because the schools did not start on time. At her suggestion, a bunch of us took these kids on for 2 or 3 weeks, and we benefited from it; they were a great asset, I might say, Eleanor. And there are several Members of the Senate under Jim's leadership, including Senator Kennedy, who have been directly involved in reading to children in the schools and who are visiting schools in the area. Eleanor and I, along with some other Senators, visited several public schools here.

We are determined to see if we cannot get people here more engaged, beyond the legislative function as well as in a very personal way, in trying to do something about this.

So I just thank you, Mr. Chairman, immensely for what you are doing here with these hearings, and I look forward to working with you.

I appreciate your testimony. I like to hear some of these arguments sort of debated out about the constitutionality. I think it is fascinating. But we could debate that, I am sure, for many, many weeks, and while we do so, I think we ought to try to figure out some ways to actually weigh in here, aside from the constitutional obligations, and make a difference.

Mr. RASKIN. Senator, you have sort of a distinguished precursor in making the argument you did about the Members of Congress coming to work. James Madison in The Federalist Papers said that one of the things that would guarantee the quality of life in the District would be the fact that Members of Congress would be here, and people could talk to them directly about the problems.

Senator DODD. You could not put that to a referendum in Washington. [Laughter.] I appreciate the point, yes.

Mr. RASKIN. Right. Well, it has not always worked out like that, which does underscore also the need for some more effective kinds of representation.

Senator DODD. Yes.

Mr. RASKIN. But your input is obviously valued.

Senator DODD. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator DeWine?

Senator DEWINE. Mr. Chairman, let me again, as I did yesterday, congratulate you and thank you for holding these very important hearings.

Professor Raskin, sometimes, stating the obvious is very important and I think, today, at least, a little sobering, your statement that you start your written testimony with, that "The Constitution confers on Congress the same powers over the District of Columbia that States have within their domains." For those of us who have served in State legislatures, this is a rather compelling and I think sobering statement, because even though there is a great tradition in this country, as you very well have pointed out, of local control, and I think most of us are very strong advocates of local control and think education is best when, literally, the local community controls that local school, the fact is that the buck does stop with the States.

So what I hear you saying is that, yes, local control is very important, and you should incorporate local control as much as possible, but Congress ultimately, at least from a legal point of view, has the ultimate responsibility with the schools, if you are saying that we have the same responsibility with the District of Columbia as a State does with its local school districts.

I would like to explore that with you a little bit. You make a statement later on that I underlined. You state: "On matters of proposed departures from existing educational policy, such as the school voucher proposal currently in play, Congress should allow the District to make up its own mind in the way that every other locality in America is getting to choose for itself."

Isn't it true that a State could say we are not going to have vouchers or charter schools; or, a State could say we are going to have vouchers, they are going to be available to everybody, and we are going to have charter schools, and that is going to be available throughout the State; or, a third alternative might be what some States are doing, which is to say we are going to have a very limited voucher program, we are going to have a trial program, we are going to have a program such as my home State of Ohio has in the city of Cleveland.

It seems to me that from a legal point of view—we can debate policy all we want to, but from a legal point of view and a constitutional point of view, Congress has a great deal of discretion in this area as far as what options it wants to use, what tools it wants to use, what variables it wants to put in play here. Isn't that true? I mean, if the analogy is correct between a State and a local community, there are all kinds of options that are available to Congress, and if Congress wants to do an experimental program that involves 1,000 students or 5,000 students, I think that clearly, you can argue the policy—I do not think it is a good idea—but you can argue the policy, but it seems to me that what you are saying is that from a legal point of view, Congress can do that.

Mr. RASKIN. Well, I am aware that some States—for example, Wisconsin passed a voucher program, and I think that one was struck down as unconstitutional—but I am aware that a few States have gone down the road. I think that the general habit has been to leave that up to the localities to decide. And again, I——

Senator DEWINE. But—excuse me—you would have to have enabling legislation even to do that in most States.

Mr. RASKIN. Yes.

Senator DEWINE. You would have to have the State coming through the legislative body with a law that says here are your options, because ultimately, the school districts—for example, in Ohio, with 630-some school districts—are creatures of the State.

Mr. RASKIN. That is right.

Senator DEWINE. I mean, we are great believers in Ohio in local control—great believers in that—but legally, they are ultimately creatures of the State.

Mr. RASKIN. Right. And I guess the analogy there would be to say that Congress could say to the District we will give you the authority to do it if you want to do it, in the same way that a State would say to the local school boards it is up to you to decide.

Senator DEWINE. And of course—not to really play the lawyers' game—but I think the answer to that question depends on how you define the local community. Is the District of Columbia the equivalent of a school district, which it is, or can it also be broken down into components parts. I mean, it is an awfully big school district.

In Ohio, for example, you have 600-some school districts, so it depends on what you define as local control; is it the entire District of Columbia, or is it a local school building and the kids who go to that building or that neighborhood school if that does in fact exist.

Mr. RASKIN. I think that since the inauguration of home rule, there has always been one school board, one board of education——

Senator DEWINE. Oh, I understand that, I understand that. But from you point, which I think is very well-taken, the relationship between this Congress and the District of Columbia is similar to the State and local school districts. I think it depends on how you break that down, and Congress could deem to exercise it in a different way, I think.

It is a sobering thought—I will conclude by this statement. When you say that the Congress has the same legal responsibility to a local school district, or to the District of Columbia schools, as the State of Ohio does to its local school districts, that to me is a rather sobering thought, and I think, bluntly, it is more responsibility than most Members of Congress think we have to the District of Columbia.

Mr. RASKIN. Well, I should add here, since I am working on a Law Review article on this, and I would like to give it a little plug, that one of the additional responsibilities that I think Congress has to its State population is to grant the right to vote. That is, just as a State could not disenfranchise in Federal elections the people who live within the State, Congress cannot disenfranchise the District population in congressional elections, either.

Senator DEWINE. Do you want to elaborate on your comment that, "Although Congress clearly has an ultimate constitutional responsibility for schooling in the District, it is one that it has not generally lived up to, except by court order"? I just want to give you the opportunity to expand on that if you would like to.

Mr. RASKIN. Thank you. Just as Congress segregated the public seating arrangements in both of the Chambers, it also segregated the schools in the District of Columbia for about a century, and when the U.S. Supreme Court struck down racial segregation in public schools in Brown v. Board of Education, there was a separate case called Bolling v. Sharpe which challenged racial segregation in the DC. public schools, and the Court had to strike that down independently under the Fifth Amendment, because the 14th, as you know, applies only to State action and not to Federal Government action. But even after that, there was this case that I referred to, Hobson v. Hansen, in 1967 which found that Congress' appointed school board, which had racial quotas on it, had continued to segregate the schools and give differential resources to the black and white schools.

Senator DEWINE. OK, so that is what you are referencing in that statement, then?

Mr. RASKIN. Yes.

Senator DEWINE. OK. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. These are very excellent questions for all of us to learn from, and I appreciate your responses.

Congressman Moran?

Mr. MORAN. Thank you, Mr. Chairman.

Given Eleanor's reaction, I think I am going to leave it to Eleanor to respond to Senator DeWine on the issue of vouchers and so on.

Let me just say, though, that Senator Dodd was absolutely right about the benefit that closing the schools had for our individual offices. Boy, those students from the DC. public school system were terrific, and we missed them from the very first day that they did not come in, when schools finally opened. And I understand that because of the success of that, Eleanor is going to institute that program so that we can continue on a regular basis to draw students from the DC. school system.

But having said that, it never should have happened. As far as I am concerned, the judge was absolutely wrong to have closed the school system. The people who were punished were primarily the students, who lost 3 weeks of school; the teachers, who did not get a chance to perform their professional responsibilities because they were 3 weeks behind the schedule when they were finally able to start school; the administrators; and the parents who, for 3 weeks, were left in many cases without any place to put their children, and they were put into some kind of makeshift custodial situation.

She punished the wrong people, she did it in the wrong way, and I do not know of any other jurisdiction that would have punished children in the way that that judge did. So as far as I am concerned, she was absolutely wrong, and I have not had a chance to say that, and I think I have said it clearly enough now.

The CHAIRMAN. I think I heard you.

Mr. MORAN. Thank you, Mr. Chairman.

The second thing is that the way we resolve this legal situation as far as I am concerned is to introduce legislation that clarifies the congressional intent to establish the Emergency School Board of Trustees, and I would hope that that would be done shortly, and

I certainly intend to sponsor it, and I suspect there will be a number of other congressional sponsors as well.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Ms. Norton?

Ms. NORTON. First, let me say I agree with Mr. Moran about the judge. Everybody was very reluctant to criticize the judge, but the fact is that what most judges would have done would have been to call people into their chambers and try to work out a settlement. I was critical of the parties, because it seemed to me that they had started to negotiate much late, and they should have been negotiating. But I do think your point about the judge is well-placed and people ought to know about it. Judges are not above criticism.

The judge who decided the Control Board matter should not have been above criticism. Her decision, the district court judge decision, was an outrageous decision. Essentially, it said Congress can do anything it wants to the residents of the District of Columbia, the Control Board can do anything it wants to the District of Columbia—you folks are just outside the country, outside the Constitution.

I want to thank the chairman for, during the Control Board negotiations, supporting home rule. The original Control Board statute left home rule and the mayor's power and the power of the Council in place, and it is 100 percent the fault of the elected officials that they lost that power, because it was in appropriations that that power was whittled away because of the way in which they handled that power.

I just want to say to Mr. Moran that there will be no need for legislation and that I have spoken to the four subcommittees in the House that are responsible, and it is our collective view that the Control Board has enough power right now to do all it needs to do in order to bring closure to this situation, and I intend to fight any attempt to change the statute when in fact this matter should be brought to cloture no later than next week.

I want to say, Mr. Chairman, that I have the greatest respect for Mr. Raskin and have worked closely with him myself on constitutional matters affect the District. But for what you are trying to do, I do not believe you needed a constitutional expert, and I believe it throws us off your concerns to do so, because you are not trying to impose anything on the District of Columbia, and I think it ought to be said right now that that is not what we are about. When we have to have an exchange—and I can understand the Senator's exchange here about congressional responsibility; I have to say, as somebody who was sitting in a segregated classroom on May 17, 1954, when you ask me about congressional responsibility—and I might say it was a separate and unequal classroom in Dunbar High School—and whose father sat in that classroom and whose grandfather sat in that classroom, the congressional failure to support the schools and the people of the District of Columbia is demonstrable, and the U.S. Supreme Court itself has said that it is unconstitutional.

What you are trying to do, it seems to me, Mr. Chairman, in some sense would be to begin to rectify some of that, because you are trying to get some revenue that would make up for some of these schools that are indeed as old as they were when my father was sitting in the same segregated schools that I was sitting in, thanks to the Congress of the United States, which could have integrated the schools of the District of Columbia long before it did and did not do, with malice and intent of forethought.

This is not a constitutional issue. What you are trying to do is to try to find some way to quickly get the kind of revenue that could restore these schools.

Now, I am afraid, Professor Raskin, that it is quite possible to have misinterpreted your testimony here, and since I know where you stand on these issues, I am going to cross-examine you on your testimony.

Mr. RASKIN. I am trembling.

Ms. Norton. Professor Norton, who still teaches at Georgetown University Law Center, wants to make sure we understand what your testimony is.

You say——

The CHAIRMAN. Excuse me. What is your time situation now, Professor Raskin? I do not want to impose on you.

Mr. RASKIN. I need to leave here at 11:35.

The CHAIRMAN. OK, thank you.

Go ahead, Ms. Norton.

Ms. Norton. You make the analogy, as those of us who teach the law are wont to do, to "the State," and you are careful in the beginning because you say that Congress has a "structural responsibility" for education. You do not say a "substantive" responsibility for education, nor is the Senator seeking substantive responsibility for education. You say "structural responsibility." It is not until the end that you mention—and it is on page 3—that "you must respect the basic American principle of local control over education".

Well, there is another basic American principle that is absolutely essential to even get to the Senator's point about takeover of the schools, and that is that you cannot take over the schools and take over the government, too. That is to say that you cannot forbid the government—the local government—from exercising ordinary American principles of self-government and say, by the way, we can also take over your government. When you take over the schools—as has happened in New Jersey, and it was threatened in Maryland—you are dealing with a State delegation that is fully empowered to not only talk back but to negotiate back. When you deal with a city where you can take back, as the Congress has now, the powers of elected officials and then say "and we can also impose on you whatever we want to, as we are your State," we are engaged in circular constitutional reasoning, and there is nothing in the Constitution—and correct me if I am wrong—that says that the State can take over local education and usurp, take, the power of local officials.

The only reason the State has that power is because the local officials also have power, and there is a separate of those powers which comes into play before that takes place, and that is what happened in the State of Maryland. The State of Maryland said to the city of Baltimore: We are going to take over your schools; you are not doing them well.

Well, they did not take over their schools. And why didn't they take over their schools? Because Baltimore has an elected mayor, and it has a State delegation that goes to Annapolis, and they worked it out.

And what does DC. have? DC. has Eleanor Holmes Norton, and that is all it has, and she is going to fight with all she has, but she is not going to sit here and have it said quite unnecessarily, particularly with respect to this hearing, that the Congress can impose its will on the District with respect to education in any way it sees fit, and of course, it can take the power of elected officials, which leaves us lower than low and somehow not on the planet when it comes to Constitution and democracy in the United States of America.

So I think your testimony is very interesting, and I think it is totally unnecessary to the intent of this hearing, to what the Senator intends to do, and has forced me to clarify where I stand on this issue. I welcome your response.

Mr. RASKIN. Congresswoman Norton, the reason why I went back to some of those ancient U.S. Supreme Court cases is because we have lost sight of the principle that our Constitution is a people's Constitution—the first three words are, "We, the people"—and the U.S. Supreme Court had a very clear understanding that the people who live in the District of Columbia are part of the organic sovereignty of the Nation. And your point is absolutely right that the fundamental principle is a democratic principle of one person, one vote, and popular control over legislative institutions.

So we are back to the conundrum of the District, where some people assert that Congress can do whatever it wants, which we know is not true—Congress cannot establish a church in the District of Columbia; Congress cannot violate the right of free press in the District of Columbia; Congress cannot violate the right of free speech. And I would assert, I think along with you, that it cannot violate the right to vote and the right of democratic representation. And so, somewhere between Congress' ultimate financial and structural oversight and the Democratic principle, these things have got to be worked out.

Now, this is not the subject of this hearing, but I would say that sometime early in the next century, if not by the end of this one, a structural mechanism must be worked out to have voting representation in the House and in the Senate, which is effectively the State legislature for the District of Columbia. So it is not only that District residents do not have the right to vote when it comes to declaring war or Federal budget or approval of U.S. Supreme Court nominees, but American citizens who live in the District are also left without a right to vote in what is effectively their State legislature. That cannot pass any meaningful constitutional scrutiny under the Equal Protection Clause, and I think that that is a great question for democracy as we move into the next century.

Ms. Norton. I just want to say for the record, Mr. Chairman, that your notions, some of them expressed yesterday, about the authority and the importance of Congress living up to its responsibility to the District of Columbia was based on the District Clause. The District Clause was modified by the 14th Amendment to the United States Constitution. The 14th Amendment says that people have got to be treated equally, and the people of the District of Columbia are not treated equally to the extent that we are speaking in the old language of the District Clause. And there has never been as yet a court suit challenging the District Clause on 14th Amendment grounds. To the extent that we speaking in that language——

The CHAIRMAN. I am sorry to interrupt, but we are getting into a question—and I happen to agree with you that you should have representation in Congress, so we do not have anything to fight about there—but we have enough problems to worry about today, and I think you have articulated your position well, and I think you got the answer you wanted and probably more so than you might have expected.

So anyway, at this point, I will say that I think we ought to move on. Professor Raskin, I deeply appreciate your very, very helpful testimony.

There are unanswered questions in the education area, and sometime, I would like to discuss those with you—in particular, the special education case which is pending and whether or not a free and appropriate education is something which is guaranteed to the District. But we will take that up at a later time.

Mr. RASKIN. Thank you, Senator.

The CHAIRMAN. Thank you very much.

Now, our next panel includes the chief executive officer and chief operating officer——

Ms. Morella. Excuse me, Mr. Chairman. Would you allow some opening statements?

The CHAIRMAN. We will let them sit down, and then you can make your opening statement.

Ms. Morella. Thank you.

The CHAIRMAN. Please gather, and then I did promise Members that they could make opening statements, so I will live up to that statement myself.

Senator DeWine?

Senator DEWINE. Thank you, Mr. Chairman. I have no opening statement.

The CHAIRMAN. Congressman Moran?

Mr. Moran. Thank you, Mr. Chairman.

This is from my perspective kind of a "good news, bad news" hearing, Mr. Chairman. The good news is that we have got a very important Senator on a very important committee focusing on the most important issue for the Washington metropolitan area—you could suggest that it might be the most important issue nationally, but certainly here—the issue of public education in the District of Columbia and work skills, workforce training in the entire Washington metropolitan area is the most important issue confronting us all. It may also be the way that we best unite this entire metropolitan region, because we have got a major stake in making it work; we have a vested economic interest in filling the jobs that are not currently being filled.

We have more than 40,000 jobs that are going begging. As was suggested, if you look at that Washington Post help wanted section this week—the mega section; it is over 100 pages——

The CHAIRMAN. I have it right here. I could not believe it myself.

Mr. MORAN [continuing]. It is phenomenal. Imagine the number of trees that were cut down to print that.

Anyway, it is unbelievable.

I heard somebody—and I am sure Mr. Daniels or Mr. Pelletier can tell us who it was—on one of the local television shows yesterday saying that we are losing something like $800 million a year because we have these open jobs that are not being filled because we do not have the people to fill them.

In suburban Virginia—and it is probably somewhat similar in suburban Maryland—our unemployment rate is about 2 percent, and we just do not have enough people. We have got to find the people, and we should not be sending the jobs, as is oftentimes happening, offshore. We have some major Federal Government, U.S. Federal Government, contracts going over to India and offshore because that is the only place we can find the people to perform the work. That ought not happen, particularly when we have as large an unemployed workforce in the District of Columbia.

I know that our unemployment rate in the District of Columbia hovers at something under 10 percent, but that is illusory. The reality is that it is that low because there are too many people who are not even seeking jobs, and that is because they are underemployed or, in many cases—far too many cases—unemployable.

We all have a vested interest in doing something about that, so this is a terribly important issue, and we are excited about the fact that you are having these hearings, Mr. Chairman.

The bad news is that, for some ignoble reason, you have tied it to a commuter tax, and that is a shame, because we have such an important issue and, gosh, if it is tied to something that is such a nonstarter, that is such a dead-end issue, you know, it could negatively affect our ability to progress in the area where we need to be making progress.

If we want to talk about a commuter tax—well, in the first place, you are not going to have a commuter tax. I think Senator Warner probably stated it pretty clearly when he said it would be done over his dead body. And I know Senator Warner is a lot younger than Senator Thurmond, but I think he meant that long into the 21st century, this is not going to go anywhere.

But there are other ways to skin a cat. One thing you could do is to look at a regional transportation revenue source, for example, some of which would go into a metro system. If we cannot continue fund the metro system, a radial transportation system, DC. dies. So there is a tremendous interest in the District of Columbia having an adequate revenue-raising mechanism—but it has to go to authority; it is not going to go to the District of Columbia Government to be spent. That is just the political reality of it.

So we can talk about that in other ways, but a commuter tax is not going to go anywhere, and I hope it would not adversely impact upon the need to do something about the educational system here.

You are going to hear later on from some of the people in the suburbs. They are all together. They are here because they understand how important this issue is. I know they are all excited about the fact that you are taking on this issue of doing something about the inadequately prepared workforce. We are short on quantity, but our biggest problem is that we are short on quality in terms of the education and the skills that we need to be arming our students with. And boy, that was upsetting—let me get back to my script here.

In an article recently, we saw that there were two high schools, I think, where every, single student flunked the basic proficiency tests, and the majority of schools, 90 percent of the students flunked the basic math test. That is why having the warm bodies is not enough. The students from the District of Columbia are being done a disservice by the existing school system.

I think things are changing. I know that we have people in place who are determined to make them change, and I personally have confidence in the people right here, in fact, sitting in front of us. They are going to do what is right, and I think they need our support not only from a political standpoint, but they need our support from a financial standpoint. And I would hope and I think that the first step is to get beyond all this carping and start working with them instead of against them. That's the first thing we could do.

Mr. Raskin suggested this is upsetting the students in the school system; I do not think the students in the school system particularly care who is doing all the political machinations above them. They care about their teachers and the condition of the buildings. But that fact is that until we get some stabilization in the structure and the politics and the administration of the school system, it is going to adversely affect our ability to do what really needs to be done, which is to improve the basic educational level.

There are some resources, and I think you are going to hear some of the innovative ideas. I know Mr. Daniels is going to testify and we have several people whom I see in the audience. They have been thinking about how the suburbs can help the inner city, because it is in our interest to do so.

One creative proposal will be offered by Phil Dearborn, who is gong to suggest the idea of a private schools corporation where you might have some businesses build the schools and lease them back to the school system. You know, that is perfectly legal. We do it for an administration. We could be doing a lot of that kind of thing. Those are the things that we need to be focusing on.

We are all together on the purposes of this meeting, and because of my high regard for your, Senator, I know that you are not really serious about the commuter task but that you are very serious about doing something about the education of our students and the improved skills of our workforce.

So I thank you for having this hearing and am particularly anxious to hear from this panel.

The CHAIRMAN. I appreciate the opportunity to respond to you just briefly on the commuter tax. If all that money did not create an additional tax to your people at all, but took the money out of Richmond and put it down into your district to improve your schools, that is what it does, so that the people who are working in your area would have money coming back into your region so that they can improve the ability to build the workforce that is necessary and provide the skill training that is necessary in order to make sure there are more jobs in your district, which will provide more revenue to your district. So if you would rather see the money go to Richmond—but I think you ought to ask your constituents whether they would rather have the money go to Richmond or whether they would rather have it come back and be used in their district to improve its economy.

Mr. Moran. Senator, if I may, that is not the question, and I am not even sure of answer we would get, given some of the recent political results. But I can tell you that that is really not the question that needs to be posed. The question is—and this answer is obvious—are you willing to have the funds that currently fund the schools to educate your own children that provide public safety for your own family, the roads that you travel on and so on—are you willing for that money to go there or into the District of Columbia, where you have actually one of the highest expenditure levels—it is the highest in terms of any—we can argue about that——

The CHAIRMAN. Yes, and that answer will be coming out.

Mr. Moran [continuing.] But from the public perception, it is not a matter of money; it is not even a matter of salary level. But it is a matter of the results that we are getting here. I think it is going to take a longtime to turn it around. Right now, there is not sufficient credibility that the suburbs are going to put more money into the current system. The Congress is going to have to figure out a way to do that, and a commuter tax is not the way to solve the problem.

The CHAIRMAN. Well, I do not argue with that. My original draft had the Congress funding the schools and the utilization of the commuter tax solely for the purpose of building a better system to provide workers and skills. So maybe we can work together.

I do not want you to get embarrassed by people asking, Why did you not want money to come back into the District, instead of going to Richmond? [Laughter.] Anyway, thank you very much.

Let me now turn to Congresswoman Morella for a statement.

Ms. Morella. I wanted very much to make a statement to indicate how I feel about this, but I certainly want to add my voice to those of others in thanking you for 3 days of hearings on an issue that I know you have been working on for a long, long time, Mr. Chairman. And I thank you for inviting those of us in the delegation to come here and testify.

Yesterday, you emphasized regional cooperation in addressing the education and workforce challenges in the District of Columbia; and today, of course, as we have started, we are focusing on the DC. public schools.

Let me add the fact that I am a former teacher. I did avail myself of an intern through Congresswoman Norton, and she was terrific. My staff are involved in the reading program in the District of Columbia. I was involved and taught in the school during the "Teach for America" week, and incidentally, at that time, when we looked at a map on the wall in the school, we noted that it had "the Union of Soviet Socialist Republic" and it had some of the old countries of Africa on that particular map, which says something about the need for updating some of the resources that they have.

The DC. public schools spend $8,000 to $10,000 per pupil. This means that the District of Columbia spends about $2,000 to $4,000 more than the national average. Let me just say that Maryland spends approximately $6,600 per pupil; Virginia spends about $4,800 per pupil. And the District ranks near the bottom of the Nation in both math and English test scores. The cumulative grade point average for 12th grade students is 1.5 on a 4.0 scale.

Clearly, the amount of money spent has failed to correlate into success in the education of the youth of the District. The District spends more than most of the other schools in the area on administration. DC. spends only 67 percent of its budget on instruction, as opposed to 77 percent in neighboring counties. The former superintendent's office alone cost $6 millon, which is more than the combined budgets of the superintendents of Montgomery, Fairfax and Baltimore Counties.

When Congress established the District of Columbia Financial Responsibility and Management Assistance Authority, common called the Control Board, we clearly gave this panel broad powers with sweeping authority to manage the District's financial crisis. One of the first acts of the Control Board was to seize control of the public schools, replace the superintendent with the chief executive officer, and appoint a board of trustees. And recently, we briefly discussed a Federal court rule that the Control Board overstepped its authority by appointing a board of trustees. However, the court did affirm the powers invested in the Control Board by Congress and ruled that only the Control Board could step into the shoes of the Board of Education.

Mr. Chairman, the revitalization plan for the District of Columbia has just been authorized and funded by Congress, and I believe that we must follow and allow this plan to be implemented before we impose further changes upon our Capital City. The Financial Control Board has just hired a chief management officer who will be responsible for the daily operations of the city. I think we have got to give Camille Barnett an opportunity to run the city, and we must give the Control Board time to clean up the rampant mismanagement in the DC. school system.

I appreciate, Mr. Chairman, your sincere interest in providing a regional education and workforce training system in the metropolitan Washington area, and I have consistently made the argument that if we do not wire all of our public schools in the District, the District included, and make our children technologically literate, it would translate into billions of dollars in costs to businesses in the next century.

I want to make clear that given all this, I cannot support any initiative that calls for a nonresident income tax on DC. commuter wages. I really thought this was behind us. I am opposed to a commuter tax on the residents of Maryland and Virginia who work in the District of Columbia. This would result in a tremendous loss of revenue to the State of Maryland and probably Virginia as well, negatively impacting the services that are afforded to Montgomery County. I feel that Marylanders who work in Washington, DC. already contribute millions of dollars to the city in various taxes and fees.

Mr. Chairman, again, I want to thank you for your dedicated interest in education and training development in the greater Washington area. I would be pleased to work with you in any way that I can, short of imposing that commuter tax on the surrounding suburbs, on a plan to make the District a safe and thriving city. It is our Capital City and a source of pride to the entire Nation.

I notice also that the President has announced some initiatives that we will be working on in Congress to train workers for technology jobs, and as one who is chair of the technology subcommittee, I will say that we have been working, and we did have in the last budget bill educational technology which would give jurisdictions like the District of Columbia an opportunity also to apply for grants for educating teachers in terms of how to teach technology—another facet that I think we need to deal with.

So again, I want to compliment you and thank you and offer again my services to work with you, Senator Jeffords, other members of this committee, and my delegation in our region.

Thank you.

The CHAIRMAN. Thank you very much, Congressman Morella. I would just ask you to keep a tiny bit of an open mind on this, because I would point out that yesterday, we had testimony from the regional people that said one of the greatest problems of trying to fund anything having to do with other than roads and so on is to be able to work out an arrangement to share funds to try to improve education and skills, and this would answer that question.

Congresswoman Norton?

Ms. Norton. Mr. Chairman, other than to thank you once again for your deep interest in the District and for calling these hearings, I do believe that the last exchange I had the opportunity to make was the functional equivalent of an opening statement. [Laughter.]

The CHAIRMAN. Yes, I think so—and a very articulate and well-done one, I would say, with some enthusiasm.

The CHAIRMAN. Now, the panel we have been waiting for. We are very pleased to have General Becton with us. He is our first witness on this panel and has earned too many distinctions to cover in this short introduction. In addition to serving in the U.S. Army for 40 years and rising to the rank of Lieutenant General—I believe you started as a private; is that right——

General BECTON. Yes.

The Chairman [continuing.] He has served as president of the Prairie View A & M University; the director of the Office of U.S. Foreign Disaster Assistance, and director of the Federal Emergency Management Agency.

It is an honor to have you with us today as the superintendent of DC schools.

Also, we have with us General Charles E. Williams, who has similarly had a distinguished military career. With 29 years in the U.S. Army corps of Engineers, General Williams earned the rank of Major General. In that capacity, he managed design and construction contracts of $2 billion and became appropriations director for the Army's $21 billion operation and maintenance budget, making him eminently qualified as chief operating officer of the District of Columbia.

And you have two other people with you, both of whom I know, but I would like you to introduce them so people know who they are.

General Becton?

STATEMENTS OF GENERAL JULIUS W. BECTON, JR., CHIEF EXECUTIVE OFFICER, DISTRICT OF COLUMBIA PUBLIC SCHOOLS; AND GENERAL CHARLES E. WILLIAMS, CHIEF OPERATING OFFICER, DISTRICT OF COLUMBIA PUBLIC SCHOOLS, ACCOMPANIED BY BRUCE MACLAURY, CHAIRMAN, EMERGENCY TRANSITIONAL BOARD OF TRUSTEES, AND ARLENE ACKERMAN, DEPUTY SUPERINTENDENT, DISTRICT OF COLUMBIA PUBLIC SCHOOLS

General BECTON. Thank you, Mr. Chairman and members of the committee.

To my right is Dr. Bruce MacLaury, who is the chairman of the Board of Trustees; and to my immediate right is Ms. Arlene Ackerman, deputy superintendent and chief academic officer, and she will be speaking tomorrow.

The CHAIRMAN. Thank you. Please proceed.

General BECTON. We do appreciate the opportunity to appear before you and talk about the subject of the reforms that we started a year ago. As I said, we have these members with us, and of course, I also have key staff present to answer any specific questions that may come up that may be beyond our immediate ability to respond to.

I would like to take this opportunity to thank you for your continuing interest in and commitment to improving the District's public schools. We are deeply grateful for the tremendous support you have given us, and we look forward to working with you in the future to create the model school system that Americans expect for their Capital City and that Washington, DC. children deserve.

And while this is not in my prepared remarks, I do want to thank the members of the panel and those who have departed who are in our schools from time to time and have provided the kind of assistance that Senator Dodd mentioned and that you do every week, Senator Jeffords.

To understand where we are and where we are going, it is important to understand where we have been. As you know, I became chief executive officer through an order of the DC. Financial Responsibility and Management Assistance Authority, or the Control Board, on November 15, 1996. This order also established an Emergency Transitional Education Board of Trustees, of which I am a member, and Bruce is the chairman, and transferred most of the powers of the elected Board of Education to the Trustees.

The authority took this action after concluding that, and I quote, "in virtually every category and for every grade level, by virtually every measure of performance, the public school system has failed to provide a quality education for all children and a safe environment in which to learn."

Indeed, the school system was broken in fundamental ways. It lacked clear academic standards, employed uncertified teachers,did not pay its bills on time and had crumbling facilities plagued by fire code violations. DC. public school students performed well below national norms on standardized tests. DC. public schools experienced unacceptably high truancy and dropout rates; accountability was largely absent across the system. The public lost confidence in its schools, and an increasing number of families left the District or sent their children to private schools.

In this context, it was clear to me that we had to focus our efforts on three core areas: 1) academic achievement, 2) school facilities, and 3) personnel and financial management. The success or failure of our reform efforts will be judged on whether we achieve fundamental improvement in these three areas. The citizens of the District of Columbia are right to demand substantial improvement in each of these areas, and I expect to be held accountable for achieving these goals.

I want to briefly discuss the progress we have made so far. I am proud that in just our first year, we made substantial improvement in our personnel and financial management programs. We accurately counted our employees. We have also undertaken a major effort to purge, chronicle and file documents in official personnel files—documents affecting pay, tenure and benefits were literally stacked in piles, and personnel files were in total disarray when we arrived. This effort is critical to ensuring that we can pay employees at the appropriate rates based on their credentials and seniority.

Unfortunately, the Financial Authority has thus far denied us an integral tool for this effort—that is, an integrated personnel and payroll system that links the schools to central administration and captures DC. public school-specific information.

We told all teachers that they must provide evidence of valid certification before the end of this month, or they will be separated from the system, and we are currently reviewing each of our schools for compliance with this mandate.

We balanced our budget in fiscal year97 for the first time in 5 years, and we have revamped the fiscal year98 budget process so that for the first time, it will be constructed around programs. Programs were given their own budget lines, and program funds were assigned to one of 70 "responsibility centers." This way, we can hold program managers accountable for their spending. This may sound like common sense, but it is a major change from the previous practice of commingling funds across programs so that financial accountability was impossible.

We have focused resources at the school level, moving personnel dollars, which make up 80 percent of our budget, into the schools, where they are needed most. In fiscal year98, nearly 90 percent of our employees are in schools, up from 85 percent in fiscal year97. In addition, we instituted a new system to provide school principals with direct access to 85 percent of their nonpersonnel dollars so that they will not have to expend time and energy struggling with the Districts complex and difficult-to-use procurement system to order basic school supplies.

We have continued working to streamline central administration procurements, to pay bills in a timely fashion and to reduce the enormous backlog of unpaid bills we inherited from the previous administration. In addition, we have appointed a new director of grants administration, Dr. Mitzi Beach, whom I believe you know from her days in Vermont, where she used to be. Historically, grants management at DC. public schools was an area where accountability was sorely lacking. Dr. Beach is working to ensure that grant-funded employees are assigned to appropriate programs, aligning grant objectives with our academic goals, and working with the United States Department of Education to create effective oversight of grant-funded programs.

In the area of facilities, we have made a great deal of progress. As you know, we inherited an infrastructure problem that the General Services Administration said would cost $2 billion to fix. The average DC. public school facility was over 50 years old, and routine building maintenance had been neglected for years. Our facilities were literally crumbling—roofs leaked, boilers were inoperative, fire code violations were plentiful. We had millions of square feet of excess capacity, and no long-range facility plan existed.

I am pleased to report that in our first year, we have made substantial improvements in this area. We developed a long-range facilities master plan. We abated more than 1,600 fire code violations and replaced or repaired 66 roofs, using funds made available under your legislation, privatizing the College Construction Loan Insurance Association, or "Connie Lee."

We have also closed 11 schools and merged two middle schools. We have begun selling or leasing excess DC. public school properties which in the past were allowed to stand empty for years while their values plummeted, and they became eyesores and sometimes hazardous to their neighbors. The proceeds from these disposals will be used for facility improvements in operating public schools.

General Williams, our chief operating officer, is scheduled to follow me today, so I will certainly let him provide you with more detail about his accomplishments to date and his plans for the future.

I do want to make one final comment on the facilities effort. It has not been easy. School closings are never popular. Property disposal can be controversial, and the Parents United lawsuit forced us to make facility repairs under extremely difficult conditions. However, this administration was put in place to make difficult decisions, to do what is right for children, and to withstand pressures from both inside and outside the system to preserve the status quo. We made some mistakes, but I firmly believe that we made unprecedented progress in restabilizing our DC. public school infrastructure and that we have a solid plan in place for continued progress in the coming years. Of course, I will let General Williams talk about that in a few minutes.

Finally, I want to talk just briefly about academics. It has already been noted that Ms. Ackerman will appear before you tomorrow to talk about academics, but I asked her to be here today as the deputy superintendent and not as the chief academic officer, and she will discuss more on that issue tomorrow.

The progress we have made in this area has largely been in gathering accurate data about student performance and building the capacity to analyze that data. This is critical if we are to measure our academic ps accurately and combat them effectively.

Unfortunately, the data we have gathered is extremely distressing. Last spring, we administered the Stanford 9 Achievement Test, a nationally-recognized standardized test, to over 40,000 students. We found that at the first grade level, our students were reading at or near the national norm. However, their scores dropped sharply in the second grade. By third grade, 41 percent of students tested are reading "below basic"—meaning that they have little or no mastery of the fundamental knowledge or skills for that grade level—and by 10th grade, 53 percent of them are reading "below basic." In math, 90 percent of 10th graders tested "below basic."

These scores are unacceptably low by any standard. We simply will not tolerate any longer this level of failure, that is, failure of a system to help children reach goals we know they can reach. To raise the scores, we have developed a comprehensive academic plan, established clear academic standards and, incidentally, put in place a professional development program to support these standards. We have reduced principal tenure to 1 year and have told our principals that we will base 50 percent of their annual evaluation on student achievement. We have required our lowest-performing schools to implement research-based reform models and proposed a plan to reconstitute schools that do not improve by the end of this school year.

We have told students, parents and teachers that we will implement promotion gates for second, third and eighth grade students this year, and we are putting safety net programs in schools now to assist those students in danger of nonpromotion.

Much more is being done to address academic achievement, but I will leave that up to Ms. Ackerman, who is leading this effort, to provide you with the details tomorrow.

For me, the bottom line is this: All—all—of our children can learn. And the adults who ran this system which lacked accountability, mismanaged funds, and allowed its school buildings to crumble over years are responsible more than anyone else for the failure of our children to succeed. We will accept no more excuses from adults. We are putting children first, and we intend to achieve our goals and create a system where our children can achieve theirs. Failure is not an option.

Now, with our indulgence, Senator, I would like General Williams to follow me with a brief statement.

The CHAIRMAN. Thank you.

[The prepared statement of General Becton follows:]

The CHAIRMAN. Please proceed, General Williams.

General WILLIAMS. Good morning, Mr. Chairman and members of the committee. I am Charles Williams, chief operating officer of the District of Columbia public schools. Thank you for providing me with the opportunity to update you on our recent efforts to address the major facilities issues we are facing and to describe our plans for the future.

I want to thank you for your strong support in helping us with our infrastructure needs.

As you know, this administration inherited a $2 billion infrastructure problem. The average DC. public school facility is over 50 years old; systems do not work; some buildings are unsafe, and before the Emergency Transitional Education Board of Trustees was appointed, routine maintenance had been neglected for years.

We were truly facing an emergency situation with our facilities, and I want to say right up front that, although we have made some progress this summer and during this fall, we are still treating this facilities stabilization matter as an emergency project.

In response to a congressional directive, one of our first actions was to develop a long-range facilities master plan. We released our first draft of the plan in February 1997. It was not a perfect plan, but it was DC. public schools' first plan. The plan is a "living document" and will be continuously modified as academic needs or priorities change and additional funds become available, or emergencies arise. Minor modifications were made to the plan in July; it will be subject to a comprehensive review, including public input, starting this month.

The plan serves as both an interstate road map to high-quality, safe public school facilities and a schedule for capital projects and budget projections. The plan has three phases—the stabilization phase, the functionality phase, and the modernization phase.

I might point out that our buildings are very old; they are crumbling, many of them, and there are leaks from more than just the roofs because the envelopes of the buildings are in such bad shape.

Let us talk first about stabilization. I knew that our first step must be to stabilize these crumbling and unsafe facilities. This phase began in fiscal year97, as soon as we arrived, which we January, and continued through this past year and will continue into 1998. It covers roof, boilers, chillers for air conditioning, power generation, some window replacement, some environmental quality work—such as asbestos and removal of underground storage tanks—and some Americans with Disabilities Act compliance. All of these matters are done to the envelope of the building.

Stabilization is the most urgent phase of the plan during which we are primarily addressing deficiencies in the envelope of the building. If we are not able to stabilize these facilities, we will never be able to deal with the functionality on the inside.

Moving next to functionality, once we have stabilized the facilities, we must ensure that they are functioning as environments for learning. This phase includes complete systems upgrades, bathroom renovations, window replacements, new fencing where needed, completion of the Americans with Disabilities Act compliance, and all of the environmental quality work.

The third phase is modernization. Beginning in the year 2000, we intend to move into that modernization phase. This phase will include construction of some new facilities, we hope, new additions, the ideal science department, the ideal special-purpose department, some existing structures will be enlarged, and major interior renovations and complete upgrade of systems, such as athletic fields and the like.

As part of the stabilization effort, I am pleased to report that we completed 61 full roof replacements and five major roof repairs in fiscal year97. Mr. Chairman, this massive effort was made possible in large part by the funding you made available to us through your legislation privatizing "Connie Lee," which General Becton has made reference to. And again, for the third, time, we want to publicly thank you for those funds.

Those funds and the funds made available through the privatization of Sallie Mae which followed have given us a tremendous boost, and we continue to work on this reported $2 billion infrastructure stabilization and improvement program.

And incidentally, Mr. Chairman, we agree with GSA's assessment. After spending 1 year and becoming very familiar with these buildings, and personal visits on my part, I think that this estimate is a good one.

I know that you are aware that our roof replacement effort was substantially complicated by a lawsuit brought against the District of Columbia in 1996 by Parents United. This suit was initially brought to require the fire department to inspect school buildings and ultimately to increase District of Columbia public school capital funding. Unfortunately, the suit resulted in the imposition of restrictions on capital work that were so strict that we were left to make the difficult decision to delay the opening of schools to complete this major roof replacement, or set aside the roof program and subject those children to another year of leaking roofs, fire code violations and unpredictable school closings.

Mr. Chairman, we had no choice. We could patch, which was one option, and run the risk of having to disrupt a normal school year at 60 schools, or we could do the job right and ensure that at least 60 buildings were dry and warm and appropriate for learning. And that was the option that General Becton supported.

We made the decision to complete the repairs and, although we were criticized, I firmly believe that we did what was right for the children of the District of Columbia.

We also abated some 1,600 fire code violations, an achievement that sometimes goes overlooked at the same time we were working the roof problem, and we developed a productive relationship with the fire department, which was somewhat frayed when we arrived, which now allows regular inspections. Over one-half of the stock remaining now has been subjected to fire code inspections very quietly, and we have a very wholesome working relationship with the fire department.

We know that at least 45 schools have roofs now that need work. They have outlined their useful lives. Fortunately, we do not have the massive leakage that we had in 1997—we have basically abated that problem—but we have buildings that are still in need of roofs. They are scheduled for replacement this year. We have a very orderly process this year to ensure that we do not have the summer problem. Our fiscal year98 plan also calls for the repair of boilers and chillers, because we have buildings that have been without heat for many, many years. We found boilers that had not been fired in 8 and 10 years. These boilers are being replaced, and we will find that our schools will be warmer.

We recognize the urgency of this effort——

The CHAIRMAN. Excuse me. May I interrupt you right there? Those boilers were not working, or——

General WILLIAMS. They had not been fired up. In each boiler room, there are two to four boilers. There may have been one boiler in one of those boiler rooms that had been dysfunctional or had not been fired up for that period of time. The system had been attempting to get by with the one boiler, so it was overworked. The reason for having one, two or three, depending on the size and the heating need, is to have one down for maintenance at all times, or to have it back on standby. So you can understand that if you had to work one, and you only had two, you would eventually wear that one out.

Although we hope these efforts will require our students to be in a situation that will be much more conducive to learning, at the same time, Your Honor—you know, I have been there 47 times, so I am sort of used to that arrangement; I apologize——

The CHAIRMAN. Do not apologize. I enjoyed it. [Laughter.]

General Williams [continuing.] We have made provisions for the first time for alternative facilities at two of our schools that were identified for this purpose during closing. As General Becton pointed out, we closed 11 schools, and we also made provisions for two swing schools. These schools now are ready, and in the event that we would have an emergency, we would have facilities situated, outfitted with the appropriate equipment, to continue with the process.

I would also like to point out a new protocol that we have put in place to ensure that capital projects are undertaken in a manner that is open, orderly and causes as little disruption to DC. public school as possible, now that the court order has been lifted. We are working very closely with the school and the community. A pre-construction conference will be held, where we meet with the principals and any representatives from the communities, such as the PTA, the LSRT and anyone who wants to be involved. Also, we invite the media if they are interested in coming as well. Mr. Don Brown, who has been designated as the capital projects advisor, is also an invited member.

I would like to take a moment to talk a little bit about the availability of funds going forward. As you know, we have asked for what we think the requirement is to complete the functionality and stabilization, and that is roughly $200 million. In my view, this amount is still accurate and correct. We have about $80 million projected for this fiscal year that will be available to us. We will use this very smartly on the continuation of roof, boiler and air conditioning repairs. We have to be especially sensitive this summer to air conditioning because, as I think you will hear tomorrow, our summer program is going to be enhanced. So I am working with Ms. Ackerman to get an accurate number of what the load will be, so that we can get out front on the air conditioning in our buildings.

Just as a very general number, it costs roughly half a million dollars to outfit one building with reasonable air conditioning, so we will be needing to identify or reprioritize some additional funding.

I want to conclude by reporting that we have established a very good partnership with the Department of Energy. They are working with us now, they have been with us as a consultant which is supported and resourced by the Department of Energy. We estimate that about a half million dollars of effort has already gone into it. They are advising us on energy efficiency as it relates to our systems.

In much the same way, we have a partnership with EPA. EPA is modeling an air quality demonstration project at Charles Young School in the Springarn project. It is a wonderful arrangement, with carpeting, windows, and all of the things that will make good air quality. We will learn from that, and our staff gets trained as a function of that, so this is an excellent way to help us get started.

GSA remains a very loyal and supportive partner. We are using GSA for our supplies and small equipment purchases, and of course, they assist us with selective project management.

As a final note, Mr. Chairman, what happened on our watch in 1997? We eliminated a very bad contract. We closed 11 schools. We provided two additional schools for swing space. We completed repair of 60 roofs during the summer. And we are disposing of the property, as Congress directed, and we are collecting rent for any use of our facilities.

At this point, I would like to show you one chart, because something has been said about the cost of our roofing work during the summer, and I would just like to point out what our numbers show.

As you can see on this chart, looking over to your left, the school that is identified would be Adams. Adams goes down to Charles Young, and it identifies 50 schools that we had responsibility for and another 10 by GSA. You can see the Government estimate, which is in the next column, and that is the estimate—I know you are aware, Mr. Chairman and the other members, that an estimate must be made just prior to going out for bid—and that is the estimate that was done by our consultant. You can see $30.1 million, and the actual amount that was spent, including any and all potential and known change orders, was $31.5 million, and the delta between those two numbers is depicted below, at 4.8 percent variation. That is the answer to that comment.

The CHAIRMAN. I understand. Let me inquire a little bit while we have the chart up there. These estimates were made before or after the court order to keep the schools open?

General WILLIAMS. They were made just prior to receiving that order.

The CHAIRMAN. And did the court order complicate the situation with respect to trying to live within those estimates?

General WILLIAMS. Well, naturally, we had planned at that time to do this work while the schools were occupied, so we would have had the duration. As you know, cost is a function of many things, and one is the amount of labor, which is a major component. This caused us to require the contractors to put more than the normal amount of labor, because we were in a compressed period.

The CHAIRMAN. Thank you. I wanted to clear that up because I think it is an important point. I looked into as best I could the way that this all came about, the audit and so on, so this is very helpful, and I hope members will take notice of this, because the implications from press reports and so on have been quite different than what you demonstrate here in the chart.

General WILLIAMS. Those are the facts.

The CHAIRMAN. Thank you very much.

[The prepared statement of General Williams follows:]

The CHAIRMAN. I have a question for both of you, which is the same question my staff asked me. We have what is known as the "Why?" file—why did you get involved with the DC. public schools? With all the things you have got to do, why do you want to spend time on that? You are going to be known back home as "the Senator from Washington" instead of the Senator from Vermont, and oh, God, you are going to get killed in the next campaign.

Well, I have seen some allusions in the press and statements of people that somehow, you came here because this was a big bonanza where you are all going to make out very well. I wonder if you would make a comment on that, and before you do that, let me just say that from my experience traveling especially with General Becton, what this city needed was a man who could command immediate respect and who would instill confidence in people that action would result. And from looking at your career and your amazing work, not only as a general, but also with the university with which you were associated, I have never seen anyone who has commanded the respect that you have when I walk around with you to the schools.

So with that rather complimentary remark, would you just set the record straight as to why you are here, and General Williams may do the same.

General BECTON. Mr. Chairman, I thank you for those remarks. I could use a phrase that I have used before—I got "conned" intc the job by several members of the Control Board whom I knew, and before they told me what they wanted, they explained the situation. Well, we have five grown children whom we have sent to schools in the District, from 1964 up through 1973. I know how good the schools can be, because we had good schools. I know how good the students can be, because we have good students. I felt an obligation that I could make a difference, given the support people that we were given. To this day, I believe we can still make a difference and a positive difference. I think the kids deserve that. And I think the people who are responding to our efforts, not just within the administration, but yourself and other people in the community as well as people across the country—as you said, we were traveling together, and I received last week a box this long from Chicago filled with material that they are loaning to us—I never cease to be amazed at how many people quote what is happening in Chicago but do not know what the facts are, as we found out.

You have also traveled with Arlene to California, and you know what can be done, and we know what she can do. We have four outstanding, well-qualified professionals as chiefs within the District of Columbia public school administration, in whom I have utmost faith. And it is really fun to come to work with these people and see what can happen. Some days are more fun than others. [Laughter.] But I am convinced that we are on the right road. We are working with an outstanding group of trustees who believe in what they are doing, and it is very comforting to have them as part of the group.

I must say to those who think that we are making money, a big bonanza, I would like them to take a look at the salary that I am getting compared to the salary that I could have gotten doing something else. Money is not the issue—it never has been and never will be.

The CHAIRMAN. Thank you.

General Williams?

General WILLIAMS. Thank you, Senator Jeffords.

I came here because of a sense of dedication and wanting to try one more time to give back. As you know, I spent 29 years in the Army Corps of Engineers. The District of Columbia was in my envelope, if you will—I had the 13 States from Maine to Virginia. I watched the District of Columbia go through a lot during that period of time.

You also know that I came from the private sector just after I retired. So I did not come here for money, either. I have five women in my family. They are all teachers. I have two brothers both of whom are in the teaching profession, and a sister in the teaching profession. So we had a discussion about this when General Becton asked me to consider coming on board, and it has been the collective work of the family to try to go back and help out.

The only reason that I am here is to support General Becton in what he is trying to do, because he is a wonderful man. And since I have known Bruce MacLaury, I can add the same for him. They are very supportive. So I just could not sit back, being whom I am, 30 miles from the District of Columbia, knowing that I could help because the U.S. Army trained me well to do this work—in spite of what some people might say, I know what I am doing—and not go in and help the children. So that is why I am here.

The CHAIRMAN. Thank you. I appreciate that, and I believe in you 100 percent—in all of you sitting at the table here today, who have really dedicated yourselves, some without any pay, as I know Mr. MacLaury, to do what is almost impossible considering the situation which you have inherited.

Another area where there has been a misconception, at least from my looking at the figures, that may have been true in the past is the average per-pupil cost. Some say, well, you have so much money, you do not need any more help from Congress. It has all been thrown away, so all you have got to do is straighten things out, and you will have more money than you need.

I personally have gone through the comparisons and would just like you to verify. Actually, of the communities in this area, you were below the average expenditure—I just did those calculations this morning, and you may not realize that, but you can take my word for it——

General BECTON. I did not know that.

The CHAIRMAN. It is not by much, maybe $100 per pupil, but the perception in Congress, as you heard today, is that you get more per pupil than any of the other districts. I wish you would comment on that, General Becton.

General BECTON. I certainly will, Mr. Chairman, and I appreciate the opportunity. When you consider what our student count is—and we use the figure of 77,111—and what our approved budget is, that is, $564.2 million, even if you consider the revised budget because of a large summer school expenditure we are expecting this year, which will make it $569.8 million, our average expenditure per student, with the summer enhancement, is $7,389. That is number five in the listing of 10 school districts within this area. The top goes to Falls Church, at $9,300-some; number two goes to Arlington County, at $9,300-some; number four goes to Montgomery County, at $7,600; we are fifth, at $7,389. Number six is Fairfax County, at $7,100. Number seven is Howard County, at $6,900. Number eight is Loudon County, at $5,900, and number 10 is Manassas City, at $5,700.

We continually hear this. At one time—1993, 1994, something like that—that may have been true, but it is not true now.

The CHAIRMAN. Not only that—and I do not know much about the other districts—but I do not know of any school district of this group—maybe you can name one—that has more problems to deal with than you do. Do you know of any district from your own knowledge that has the incredible difference in academic standards relative to the norms, or infrastructure problems which are as bad as the city?

General BECTON. No. As a matter of fact, the area superintendents meet once a month. There are about 15 of us. We go all the way down to just north of Fredericksburg out just east of Frederick, Annapolis. We have lunch and we have meetings. There is a collegial effort on the parts of all of my counterparts to help us, because they recognize that if we fail, it will impact on all of them as well, because many of their constituents happen to work in the District. So it is very important to them that we have a collegiate effort. But we are at the bottom from the standpoint of infrastructure. We have the oldest buildings in the area, we have a constantly decreasing source of funds to pick from, and then, they do have a State to look to for some help.

When I turn to my "State," I am looking at myself in the mirror because I am also the State education officer, and there is not much help coming from that standpoint except for what is provided by the Congress.

The CHAIRMAN. General Williams, one question that has been asked and I think should be answered is why did the repairs begin so late in the summer, prompting that the schools had to be shut down by the judge's order— understanding that, and the non-anticipation of having to close the schools—but why did it start so late in the summer?

General WILLIAMS. Yes, Senator Jeffords, I would be delighted to answer that question. When I arrived here in January, I had no staff, I had no plan. Only $11.5 million was available for funding, and that had been somewhat earmarked in the first tranche of work that GSA did.

The next funding was available in April, and it was at that time that we started doing the necessary work in order to get ready for the summer, and the consultant was in place to do the estimates. We started hiring our staff—our capital staff is a little bit different, because we do not want to leave a bloated staff in place when the capital program subsides, so all of our capital employees are term employees, meaning they work as long as there is work to justify it, so we did not bring them on until such time as we knew we had a program.

So it was our intent last year, because we knew that our funding was not in place as it is now, so we can orderly plan to do this—we were going to have a hump in the summer. In fact, I briefed you several times on this. It was exaggerated, Senator, by the judge's order, because we had no idea—when I was called over to the court on July 11th, I thought I was going to go over and explain what our program was going to be about, and I was asked to list the schools that we had planned in our plan for fiscal year97, and as I enumerated those schools, they were closed. So this created a real, second emergency for us, and we had to do a lot of scrambling and putting teams together to make it work.

And I know you understand, and Congressman Moran I know can appreciate this, that there was a real fear on the part of many good contractors to come into the District because of the prompt payment matter. So we had a difficult time there trying to get that.

When you complicate that with the whole notion of being under a court order, this made our job extremely difficult. So it was the combination of having funding that flowed in a spotty way and gearing up, and then the court action, that caused the problem.

The CHAIRMAN. Two billion dollars seems like an awful lot of money for 150 schools. You stated, I believe, that you believed that figure was accurate and that that was actual based upon construction cost figures of a year or two ago.

General WILLIAMS. That is right.

The CHAIRMAN. How are we going to meet that without getting Congress out of the situation? You signed an agreement with the judge which outlines a program which requires a certain amount of funding each year,and even with that amount—was it $80 million——

General WILLIAMS. Eighty million, yes.

The Chairman [continuing.] Yes. At $80 million a year, you are talking 25 years or so before you would get to the $2 billion. So, first of all, where is the $80 million going to come from, and second, where is the rest of it going to come from, if there is no congressional help? Is there a way to do it?

General WILLIAMS. Well, without any congressional help, it is going to be very difficult. But I would hope that together, we could think through some creative ways to try to find other alternative methods to try to fund these. And of course, I would be interested in any creative privatization efforts, because I realize it is a lot of money, but we have got to say what the issue is, and if we are going to have buildings that are functioning, and if we are going to do any modernization at all, it is going to take that kind of price tag to get there. We may not be able to get there in 10 years under the current arrangement, but I think we have got to continue to State what the problem is.

As we begin to stabilize the system, for example, the 60 roofs that we did this past year—we did more than just put a roof surface on; we took care to make certain that we stabilized the upper portion of that building as well so that we know that deterioration would not continue to occur in and around the roof area. So we will be able to get the building somewhat stable after about half a billion dollars have been put in place, and then the modernization would be a function of how much we could afford going forward in order to do the things that would make the school system look right for the year 2000 and beyond.

The CHAIRMAN. With respect to bonding, the question is asked: Well, why don't you just bond for the $2 billion and get it done? What is the problem with that?

General WILLIAMS. That would be fine, if——

General BECTON. May I turn to our chief finance officer, sir?

The CHAIRMAN. Yes, please do, and please introduce yourself for the record.

Mr. Stevenson. Good afternoon, Mr. Chairman. My name is Ed Stevenson, and I am the chief financial officer of the D.C. public schools; I have been there since May.

We simply do not have a basic source of revenue to be able to bond at this point. We are subject to the bonds of the city. We get an allocation of the annual bonding from the city. The city's estimates, I think for this year, they plan to borrow some $150 million. About $50 million of that is automatically dedicated to Metro. We are designated to get $30 million of the remaining $100 million.

So we cannot bond. I mean, the school system—and it is unusual for a school system, I think somebody has already pointed out, not to have bonding authority. Frankly, our auditors, the annual financial statement auditors from last year, recommended that we become a separate fund and explore the idea of changing our fiscal year—we have a fiscal year which ends September 30th, which does not make sense in the school system—I am sure it is the only school system in the country that has a fiscal year like that—and also explored the option of obtaining our own revenue source like other school systems do, a piece of property tax or something like that, so we can issue bonds and have a stable funding source rather than be subject to the bonding authority of the city.

The CHAIRMAN. Has the Control Board given you any likelihood of being able to have a dedicated revenue source to provide for $2 billion in bonds?

Mr. Stevenson. Absolutely not, no. Obviously, we have an overall capital need in the city, and we have a limited amount of bonding authority. We have just moved beyond our rates in terms of the level of investment and so on—Wall Street has given us the bond rating, is what I am trying to say. There are other needs, and so I think there is some concern about dividing up the revenue that is already existing.

The CHAIRMAN. And just for the record, I know of no other sources that I can grab hold of, like the privatization of Sallie Mae and Connie Lee, to help you out, so do not come running to me, because I have run out of ideas.

General BECTON. Mr. Chairman.

The CHAIRMAN. Yes, General Becton.

General BECTON. Dr. MacLaury has a comment, if he may.

The CHAIRMAN. Yes, certainly, please.

Mr. MacLaury. Senator Jeffords, thank you very much. First of all, I appear before you as a minister without portfolio. As you know, the Trustees are in limbo. I am here as a citizen with scars. But I would like to respond that as far as we as Trustees could understand, there were only three sources of capital funding. One was from the Congress, but that is in a sense a last but necessary resort.

The second would be the apportionment, as Ed Stevenson has said, from the capital budget of the city itself. And as part of the Parents United settlement which you referred to earlier, there is a commitment on the part of the Control Board to allocate—I believe it is 27.5 percent of any capital funds that they raise will be dedicated to the capital improvements of the schools for the next 5 years. It is a 5-year commitment as I recall.

And the third is from—and this is what I wanted to mention—the disposal of existing properties that are not being used as schools. We hope to realize between $20 and $30 million of values out of those existing properties which we can sell off. That is going to take mobilization of funds and approval by the Control Board, but that is a third source of capital fund revenues. And we have also pledged as part of the Parents United suit to dedicate all of the realization of funds from existing school properties back into the improvement of existing schools.

The CHAIRMAN. From your knowledge of that situation, is it reasonable to anticipate that you could get $2 billion of repairs done in the next—reasonable length of time—5, 10 years?

Mr. MacLaury. I cannot image any way in which that could happen, Senator.

The CHAIRMAN. Thank you.

Congressman Moran?

Mr. Moran. Thank you very much, Mr. Chairman.

Let me address my questions to the subject at hand. First of all, it is what would seem to be an untenable situation. You have got a cap of $150 million in capital bond financing per year, and yet the school system alone needs about $250 million per year at least—in the early years, you probably need considerably more than that out of the $2 billion total need.

You are currently pledging 75 percent of the local property taxes which are being dedicated to paying off this debt financing, and yet DC.'s property tax rate is twice what it is in the suburbs. So if you raise the property tax rate, that is going to make it even worse; you are going to lose more of the people who are paying the bills. You cannot do that.

I think in Mr. Williams' testimony, he said the average age of a building is, what, over 25 years, is it?

General WILLIAMS. Over 50 years.

Mr. Moran. Over 50 years. So the average age of a building is over 50 years. Buildings do not really survive in workable fashion for much more than 30, 35 years, and here you have the average age 50 years. What you need, I think, is a major capital construction effort. We are going to have to find, however, a new method of financing it.

I am going to suggest to Delegate Norton as well as some other Members legislation that is consistent with what Mr. Dearborn recommends in his testimony today, that we set up a private authority. He goes through the three options, and the last one is a "private school facilities corporation." If we had legislation that did that, that could go into the market and could build the buildings—whether it be a private corporation, or make it attractive enough for the private sector itself, not just one corporation—it could build the buildings and then lease them back to the school system. You would have to have a dedicated source of revenue, but that is probably where the Congress might be able to step in. It is a lot less expensive to do something like that than to try to finance it annually, to dedicate revenues from doing that.

During the eighties, we had a very creative way of making it attractive for private investors to build Section 8 housing, and we had Section 8 housing built all over the country. I was a stock-broker in those years when I was mayor as well, and boy, those were attractive prospects. I would hope we could look at something like that that would have some tax incentives—if your party does not cut taxes so low that there is no sense in having incentives anymore, and I suspect that may the case and that they are not going to be able to do that. But if we have enough tax incentives, we could really draw some private capital in, and that seems to be ultimately the source, with some matching Federal dedicated revenue that would ensure a reasonable payoff to this private school facilities corporation.

That is the kind of thing I would hope we would look at, and then look at, obviously, the location—they are going to need to be near Metro stops and so on—but right now, we have too many buildings, they are too old, they are not even properly located, so we ought to do it right and do it over again and find a source of funding.

I have another question as well, and that is when we start constructing these, one of the real win-win opportunities would be presented in using some of our junior and senior high school students and teaching them building trades. You know, we have been talking all about these high-tech jobs, and we are going begging for building trades people. In our building trades, most of our new jobs are being filled by filled by the immigrant population who are coming in. They are nonunionized, but they are willing to work hard. And I will tell you, the construction companies and the building trades unions really need skilled craftspeople. We need to be training them as well in our school system, which goes to the issue of vocational training schools.

The guy in Montgomery County said—and a lot of other people have said the same thing—you know, vocational education has gotten a bad rap, and people are not going into it. They are going into these curricula that are designed for people who want a liberal arts education at Yale or something, that are oftentimes not geared to what jobs are available, and we are not making enough of a connection between the private sector, the employers out there, and the school system.

So the private sector, the construction companies, I know want to do that. I talked to a gentleman by the name of Mr. Siegel who is involved in the construction industry, and he tried to get something to involve the building trades unions. I have talked with them for the last few months about even a charter school or doing it within the school system, where you would offer building trades instruction skills. Now, IBEW or the plumbers or whatever are going to have to be willing to teach other skills than just in their own individual trade unions, because people need to have a multitude of skills when they leave the school system. But gosh, what a wonderful opportunity to let them participate in the construction of these new schools and give them that kind of very useful skill when they graduate from high school—and we will also reduce out dropout rate, I would bet, if they could do that kind of thing after hours and during the summer.

Thank you.

The **CHAIRMAN**. I agree with everything you are saying, and I just want to say that we have a witness coming up who has to be out of here by one o'clock, so——

Mr. Moran. And he is actually a constituent as well, so I am going to shut up if that is your suggestion, Mr. Chairman.

General **BECTON**. May I comment on two of those things, sir?

Mr. Moran. It is up to the chairman, of course.

The **CHAIRMAN**. Sure. Go right ahead. I am sure you will be brief—you always are.

General **BECTON**. In the first place, on the subject of privatization, one of our schools that we have closed will do exactly that. Stevens is going to be developed by a builder, and they are going to lease it back to us.

General **WILLIAMS**. That is correct.

Mr. Moran. One.

General **BECTON**. I am saying we have looked at that, and we would be more than happy to talk about that with any builder or developer.

The other thing, I have discussed the subject of building trades and what we need, and we are going to continue to work at that and see what we can do about it.

Mr. Moran. Good. Thank you.

The **CHAIRMAN**. Congresswoman Norton?

Ms. Norton. Thank you, Mr. Chairman.

The **CHAIRMAN**. I think you understand our time constraints, and I know that you have been waiting for this panel, so go ahead, but please try to keep that in mind.

Ms. Norton. I do, and I am sorry that I am at the end. Now that everybody has used up all the time, I am going to try to go fast.

Mr. Moran. I am sorry. [Laughter.] What goes around comes around, Eleanor, but I will tell you I am sorry. Excuse me. I do not want to interrupt.

Ms. Norton. There are some specific questions that I want to ask. First of all, Mr. Chairman, I want to ask something with respect to this chart here.

I want to thank each and every one of these witness because really, under the most trying of circumstances, they really had to pick up a load that you would not wish on your worst enemy. I hope you realize that the kind of criticism you have received is what happens to people in public life, and it is what is supposed to happen to people in public life. None of it is personal, and I think you have handled it very well.

As far as I am concerned, in trying to understand what has happened, the first thing I ask is: Compared to what? Perhaps people will remember that I was the only public official to stand up for the elected school board, and I did so not based on merit, but based on democracy, and I thought I found a way, frankly, even incorporating Mr. MacLaury and his group, frankly, Mr. Chairman, using what you negotiated with me in the appropriation of the 104th Congress, to have such a group and yet not to have taken down home rule. But I did not do it because I thought the elected school board had done a tinker's damn about these schools; and they waited for 4 months while the Control Board tried to figure it out, and still did not move, with the most paralyzed body of all time.

So when I look at what you have done, remembering that I am still a professor of law, I mark on the curve, and I have to say that particularly compared to what you have found, I give you far more than a passing grade. I think that there are actual accomplishments that can be cited here. For example, the closing of schools—if in fact you had not closed schools, I cannot tell you what this body would have done. And anybody who expects me to protect the District while the District does things like having schools that are three-quarters empty, and then I am supposed to come home with some money, had better understand that that is not the way it operates up here.

So you had to do though things like that, and there was no way to have done that without people beating you across the head and shoulders, and I respect that that was done.

I defended the school board because they are elected officials, and as long as there is a Charter, and as long as the school board is in fact an elected school board, I will defend them to the very end. The fact is that in thinking about a new Charter, I have begun to wonder whether one should have an elected school board in a big city school system where people in one ward have to defend, even if it is wasteful, what happens in their ward. They have to say, I want a school in my ward because there is a school in somebody else's ward. I am beginning to look at the Chicago model and other models, even though I will defend what we have in place until the people of the District of Columbia overturn what we have in place.

Looking at this chart, I do not want any of you to take comfort nor do I want the chairman to take comfort from that chart. One of the reasons why I was disappointed in what happened was that I worked very hard with the GSA to get them—the GSA happens to come under my jurisdiction on another committee—involved in your procurement, understanding that you could not go in there and all of a sudden take care of the system. The fact is that, according to the chairman's chart here, the chairman's chart would contradict the audit report which says that you were $7.5 million over. By the way, I was among those saying just get it over with and open it up. I have a hard time saying to you all do it quick, and then asking why you did it so quick and did not keep the receipts. I mean, if you had not opened those schools after 3 weeks, I do not know what you would have done. I do not think you can get people coming and going, even if they made a mistake in not doing it right the first time.

Now, the fact is this is why it is going to be very important this time to be prepared. The fact is that if you look at GSA and the DC. public schools, it cost the DC. public schools $18,000 per school, and it cost GSA $5,000 per school. My question is the GSA already had this list of qualified—and you can tell me what the nomenclature is—qualified contractors. The whole reason for using GSA was that you could take somebody off of there who has already gone through the bureaucratic mess that it takes, which would have been difficult for you going through your own procurement system.

Now, I recognize that you had been taken out from under the city procurement system, but would you tell me why GSA did not help you manage more of these projects so that their rate, which is one-third yours, would not have obtained. You went to them saying people did not want to come in and do it because they knew it was the District of Columbia and all that. If in fact they came off the GSA list, and you are using GSA—my goodness, I am giving different figures—you are using GSA procurement, why in the world didn't you stick with the GSA procurement in the first place, instead of taking—apparently, according to you—much of the procurement unto yourselves?

General WILLIAMS. Ms. Norton, that is a very good question. Let me respond to it first. As far as the projects are concerned, the GSA projects were projects that were basically flat types roofs. We have five roofing systems here in the District of Columbia. We have the traditional flat roof, which is the built-up type. We have slate roofs; the slate is very old and very difficult to find. We have clay—we even have five or six clay tile roofs. We have shingle. So a portfolio of projects can vary tremendously in terms of what the roofing system is like.

I will tell you that the projects that GSA—and I have already indicated that we worked well and proactively together—they provided not only this project management service, but the consultant that you see identified up there was GSA-identified, and we were able to access that consultant through GSA. And there is a letter, of course, in place, by Mr. Lawson, speaking to our relationship and how we speak together, and there is also, I think, a very fine letter from the consultant.

So we use GSA for a whole array of effort. We are procuring all of our supplies, for example, through GSA. So GSA is a wonderful partner in this process. It was just a function of what they were able to do and how we worked out the arrangement. So GSA is with us going forward, and they will be a part of it.

Ms. Norton. Could I ask General Becton—we had the situation here where for 7 years, the lowest-paid people in the school system had not gotten their raises despite a couple of arbitrators' awards. Apparently, there was a bonus given at the end of the year. These are cafeteria workers and other low-paid workers in the school system.

When will their full arbitrator's award pay be paid—and the reason this inflames people is the bonuses.

General BECTON. I understand.

Ms. Norton. You know, the top people get theirs and get their income tax taken care of, and these folks who make the least money in the school system wait for 7 years and cannot get their arbitrator's award, and everybody else in the District of Columbia has gotten a pay raise. This is unconscionable.

General BECTON. I agree, and we have a meeting tomorrow in which we will be sitting down with the key people. It will be basically off the record so that we can find out where we are. It is very important that we resolve this matter.

We have also gone to the Control Board, and they are well aware of it and are doing what they can to come up with the funds. But

I heard some numbers mentioned, and Ed, would you care to make a comment about that $4 million that is supposed to be put aside?

Mr. Stevenson. Yes. There was $4 million put aside in 1994 and 1995 for settlements for this arbitration award, although this arbitration award is also dependent on the Council passing legislation that funds it. The Council has refused to do that, so that is part of this decision. I heard from a Council member earlier who asked about why we had not paid these people. Well, the Council needed to take some action to do that. It is going to be part of our negotiations. We used some of that money to pay the one-time payment. It is going to be a negotiation to further pay them further money as well as give them a regular pay raise. We have that in our 1999 budget right now to try to give them some additional funds, as well as some of our other workers.

So I think it is important that we settle that. It is going to have to be a negotiated settlement. Some of the totals that have been put by the union have been very large numbers that we would disagree with, so we need to negotiate that settlement; it is not just automatic back pay.

General BECTON. Congresswoman, may I make one comment? I also have a signed agreement with the union boss, Mr. Pfister, to not only take care of that one-time payment before Christmas, but also to find a way out of this problem. That agreement was signed last month.

Ms. Norton. I appreciate that. General Becton, could you tell me whether or not the Board of Trustees has had any operational role in the schools or whether in effect you have been running the school system?

General BECTON. I am the CEO, and I think I have been running it. I get a lot of help because we need a lot of help. We are dealing across the city. The Board of Trustees is available to me. I am a Trustee also. The board meets once a week on average, and we work together.

Ms. Norton. I ask that because I think that as people try to figure out what to do now—the court has said you cannot have an alternative board of your own choosing—you have got to get to the transition that you all have spoken about, and I wonder if you are prepared now to begin an operational transition to reincorporate he elected Board of Trustees as is mandated by the year 2000 in any case?

General BECTON. I would hope that the Board of Education would become more involved with what we are trying to do. I would hope that, and I think they will under their new leadership, become partners. They are obliged by the Control Board order to be advisors. We would be delighted to work hand-in-hand, so that when June of the year 2000 comes around, they will be lockstep with us and can take over the system. I must tell you right now that that cannot happen.

Ms. Norton. Why can't it happen now?

General BECTON. Because they have not been providing advice, they have not been keeping up with where we are. I believe the new leadership will take care of that.

Ms. Norton. Yes. It is fair to say that if they had taken away my rights, I would have been meeting in the same way I was meeting before, taking votes on every issue you took votes on, and otherwise reincorporating myself into it. So there is no question but that there is a burden at least equal on them.

I would urge you to gradually reincorporate that body as a body so that we do not have a truly untenable situation where, in the year 2000, you say, Here, and you throw it at them without the kind of preparation that is necessary to assure that they will handle the responsibility responsibly.

Mr. Chairman, if I could ask one final question, and that has to do with the number of students in the school system.

The CHAIRMAN. Yes. Be just as brief as you can, because I do not want to prevent us having time with the next witness.

Ms. Norton. Yes, Mr. Chairman, I certainly will. This is a perplexing question, this notion of the number of students in the school system. If I may say to you—and I am sure it has to do with what it will take to straighten this out—but I have got to tell you that anybody who believes that this system has 78,000 or whatever your number is ought to make their way up to the Brooklyn Bridge and jump off of it.

The fact is that what we are showing in the number of students is basic stability in the number of students over the years, while all of the reports tell us that the poor people are gone, the middle class people are gone, and there are some rich people who do not use the schools at all.

Nobody believes in the stable figures, or relatively stable figures—one percent down here, 3 percent, 4 percent—there is a huge number of students who are not in this school system, and we know it. We know that some of the first people to move are the poor people, who move to Prince George's County where the services are better and where the rent is cheaper. So there is no question that the people who use your school system are not here in the same numbers, and yet these figures come in, in quantities that nobody in the District of Columbia believes.

The CHAIRMAN. I think you have asked your question.

Ms. Norton. And I want to know why you have not found a way, and if you were giving, based on your experience, an estimate of the number of children who attend the DC. public schools, apart from these figures that nobody believes, what would be your estimate of the number of students, and what are you doing to get us a true and real estimate of the number of students?

General BECTON. As of the 30th of October, we head-counted within the schools 77,111, which is——

Ms. Norton. Well, some of those children have two heads is all I can tell you.

General BECTON. Well, we will have an audit of that number, and we stand by that number.

Ms. Norton. So you think that with the great—let me just tell you why I ask this question. In 1995, we lost as many people as we lost throughout the 1980's. In 1996, we lost as many people as we lost throughout the 1980's. Now, that does not even begin to tell us what we lost throughout the 1990's, and yet I am supposed to believe the same figure that we had 10 years ago.

The CHAIRMAN. Let me interrupt.

Ms. NORTON. It is not a true figure, and counting heads when kids turn out to have four or five heads will not do.

The CHAIRMAN. I think you have made your point, and I agree with you, we want to make sure we have an accurate count, and I am sure that that is going to occur. But we have got to move on, and I want to thank you all for very helpful testimony. You have been very forthright and I think have made an excellent presentation.

I would like Congressman Moran to introduce the next witness. We are going to have two witnesses on this panel, and I do not think the second witness has a time problem, so we are going to go right to Mike Daniels as soon as my introduction is complete.

Mr. MORAN. Thank you very much, Mr. Chairman. Thank you, General Williams, General Becton, Ms. Ackerman.

To save time as Mr. Daniels is making his way to the table, I will go ahead and start introducing him. He is here as chairman of the Northern Virginia Technology Council, and behind him, I see Ray Pelletier and Todd Raulich—he actually has tens of thousands of people. If you go to one of the functions that they hold, they cannot find a hotel big enough for them now with the expansion of this industry. There are more than 800 member firms that he is representing; it is one of the largest technology councils in the entire United States.

Mike is the vice president of SAIC, the Science Applications International Corporation, which is a $4 billion high-tech firm. Mr. Chairman, you showed the help wanted ads in The Washington Post. SAIC had an entire full-page ad—I thought it sounded kind of attractive, but since I have my job for at least the next year, I will not pursue it, but it was a pretty engaging ad.

Mr. Daniels is typical of the leadership we have in this industry. He was the U.S. National Commissioner to UNESCO; he is a member of the U.S. Trade Representative's International Investment Policy Advisory Committee. He is the kind of person who wants to make a difference more than in his own personal life or in his corporate headquarters; he wants to extend their public service to the entire Washington region. He is just the kind of person we ought to be hearing from, and thank you for giving me the opportunity to introduce him, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Mr. Daniels, I am going to turn right to you. I will introduce Dr. Hartman later because I understand you have a time constraint. How firm is that one o'clock—would 5 minutes past one be all right?

Mr. DANIELS. That will be fine, Mr. Chairman.

The CHAIRMAN. OK. We will try to do the best we can. Please go right ahead with your testimony.

STATEMENT OF MICHAEL A. DANIELS, CHAIRMAN, NORTHERN VIRGINIA TECHNOLOGY COUNCIL, AND SECTOR VICE PRESIDENT, SPACE APPLICATIONS INTERNATIONAL CORPORATION

Mr. DANIELS. Thank you very much, Mr. Chairman, and thank you, Congressman Moran, who is a wonderful supporter of the entire technology community here in the Washington area; and Congresswoman Norton, it is nice to see you today.

Thank you, Mr. Chairman. I also extend to you our congratulations on chairing these hearings and holding them. This is one of the most important issues in terms of education, workforce skill training facing this entire country today.

As Congressman Moran said in his introduction, the Northern Virginia Technology Council is now one of the largest technology councils in the United States; it is the single fastest-growing technology council in America. We have nearly 800 member countries that include every large company you all would know by name—TRW, BDM, Oracle, Microsoft—down to the brand new companies that are forming in this Nation, the new digital electronic commerce industry. We have many of those companies as members of our organization.

What we have focused on for the last 18 months in the Northern Virginia Technology Council has been to start to look at this problem of education and workforce skills that we need to fuel the high-technology growth industries, primarily in information technology, telecommunications, software development, Internet, and those related industries.

The key long-term force which is at work here is documented by a recent study out of William and Mary. We found in our surveys, starting about 18 months ago that we had about 19,000 unfilled job openings here in the Northern Virginia area among our member companies. We also found that there are forecasts for about 256,000 new jobs that would be created just in Northern Virginia over the next 10 years, an increase of 26 percent. And most important, real wages would jump about 59 percent. We currently have 175,000 people, and we are paying annual wages of $8 billion in our 2,000 technology firms here in this region.

So the forecasts are that if we do not fill these jobs by appropriate programs and efforts at the Federal, State and local levels, we have a very dramatic impact on both the private and public sectors. That is going to be measured by potential shortfalls in tax and other types of revenues.

So we have through these surveys looked at the types of needs and the major figures that we have got to concentrate on. One of the most important factors of our survey in identifying technology company expectations is that we are going to be creating here in this region about 112,000 new technology jobs in the next 5 years. By aggregating demand for skill workers, we for the first time understood the need to transition 1,500 to 2,000 new workers a month into technology jobs, an average of 1,800 a month each and every month for 5 years. We knew that existing education and training programs were not going to produce nearly that many folks that we needed.

In summary, I would tell you that we have learned over the last 18 months in these surveys and talking to Federal and State officials and experts all across the country that we have the following potential impacts of this situation. First is a very high cost of worker shortage which could dramatically impact not only this region, if we cannot fill the jobs, both company payrolls and tax income to the local jurisdictions. This is obviously a cost of worker shortage. We cannot produce these economic results.

We have also learned that we have unbelievable exploding demand and uneven responses. The private and public sectors, as we have begun studying this issue, have responded unevenly to this challenge; and when I talk about that, I would tell you that what we have learned is the following. There are really two parts of this problem. The first is the exploding demand which you are now hearing a lot about, and there has been testimony given before the Congress. The explosion of technology companies' products and services is basically currently stripping the labor cupboard bare. All workers with technology skills and experience already are employed somewhere. Governments and other business harnessing technology to improve services, profitability and competitiveness add to this demand.

Let me be specific. Not only are the technology companies in our industry sucking up the workers who have the critical skills, but what we are noticing from talking with our colleagues in other industries is that as we have a tremendous demand in our industry, hospitals, schools, restaurants, and others are not able, therefore, to find qualified personnel to run these types of computer systems or fill the information technology jobs. So we are a magnet that unfortunately is drawing any type of talent out of the other industries where the demand is growing daily.

The half-life of skills such as computer languages, applications and systems is short. The need for retraining now in our industry and others is constant in these skill areas. And as we innovate and we create new demands for these skill sets that by and large do not exist today, we just simply cannot find enough people currently in this country who have those skill sets. We have got to come up with new methods at every level and in the private sector to fill this demand.

When I say responses have been uneven from both the public and private sectors, again, we are learning a lot about this problem. Worker programs that are training programs are currently fragmented and focus more on special populations or older industries than on filling new jobs. Technology companies, too, we believe, have been slow to adapt training and retraining as part of their core businesses. Public schools have been very slow to respond and, most disappointing to us in our industry, our colleges and universities have not been increasing the number of engineering, computer science and information science graduates.

In general, there has been a real lag in responses, public, private and institutional, to the explosive growth and the now continuous change in these skill levels.

The last two points I would like to make today in this brief testimony are, first, that we have also come to understand that solutions are regional, they are market-based, and they are industry-driven. The good news in the case of our organization at Northern Virginia Technology Council is that we are now far beyond the description of the problem, and we are into solutions.

We set up a workforce task force 2 years ago which has been very active with members of our industry here and throughout the region and the country. We helped sponsor a statewide summit of business and community leaders which produced a "Blueprint for Technology-Based Economic Growth." We have recently formed a regional partnership with the Suburban Maryland High-Technology Council and the Greater Washington Board of Trade, and the Northern Virginia Technology Council, to form a super-partnership of those organizations' leadership to tackle key problems across our entire region, such as workforce training and critical skill shortage in our area, and we have helped to focus a multicounty effort in Northern Virginia which has resulted in a new nonprofit, the Northern Virginia Regional partnership, which has now obtained initial State funding to set up workforce development training centers. I believe that in my written testimony, we have submitted a diagram of how that program is going to start to work to bring people into the centers, have all the categories of skill training with linkage into the job markets to actually put them into jobs in our industry.

These efforts have identified these characteristics which appear to be solutions as we start down this road to try to solve this problem. Again, these approaches are regional in scope, they are market-driven and industry-driven, using skills that are needed in these jobs to fill the real job openings to drive education and training responses.

The last topic I would like to address is strategies that focus on technology education and worker training. There are two primary strategies for public policymakers to consider, we believe, from what we have learned so far looking in detail at this problem. First, we need a technology educational infrastructure to prepare all of our American workers for technology in their careers; and second, we need to remove barriers to worker training and retraining.

Technology infrastructure, we now believe, must support a K through life education. We need more technology equipment and technology teacher training for public schools. We need highspeed voice-video data links everywhere we can get them. We need increased workforce development focus in community colleges. We need new linkages between industry-certified skills and diploma and degree programs. We need universal technology literacy for high school and university graduates, and we need more engineering, computer science and information science graduates.

Removing those barriers that exist today, we believe will stimulate worker training and workforce development. We have suggested and are now pursuing public-private partnerships to market technology, jobs and careers, regional workforce development centers providing very specific career guidance of how do you get the skills to get into these thousands of unfilled jobs in our area, linking potential technology employees with these company job openings, coordinating technology training and certification, and providing financial and career bridge assistance to get individuals and companies over the cost of training hurdles.

These are the kinds of things that we have studied in working with all of our organizations here in the region, in working with Federal, State and local officials. I was struck as I always am by the prior testimony of General Becton, and we are now trying to put together through our company members pilot programs in some of the DC. schools, where we will be able to put in computers that will be supplied by some of our company members on a test pilot basis to try to get some of the skill training into the folks' hands who are high school people who need that kind of training and start to bring them in as summer interns or link them into this huge, unfilled demand that we have in an area like Northern Virginia, here in this region.

So Mr. Chairman, that is our prepared statement; that is a summary of my remarks. I would be happy to answer any questions.

[The prepared statement of Mr. Daniels follows:]

The CHAIRMAN. Thank you very much. That was very helpful testimony.

I will try to be brief, because we have other people with time constraints as well as we move along.

Congresswoman Norton asked yesterday whether there was any information on the kinds of technology jobs that are currently going unfilled in the DC. area, in particular the level of education necessary to fill them. Are there entry-level technology jobs that are going unfilled, and what kind of education is necessary or should be necessary for that, relative to what K through 12 provides?

Mr. DANIELS. Yes, thank you, Mr. Chairman. The answer to that question is that one of the most surprising things that we have found in our surveys and working with our member companies here in the Washington area is the following.

Where there may be a preconceived notion that a full, 4-year college degree is a prerequisite for many of these jobs, we have not found, interestingly enough, that that is the case.

Our surveys among the member companies show that that literally half of the demand today and in the future is for people who have up to a 2-year community college-type degree, or somewhere between high school and 2 years. So the answer to the question is that in each one of the levels of openings where there is a high school graduate, a 2-year community college degree or a 4-year degree, there are plenty of job openings, and we do have detailed information that we have been gathering on that, which is available through the Northern Virginia Technology Council.

Many of the skills we require are now, today, certification courses which I would call somewhere beyond an initial vocational technology education and certification where you might be an NT specialist or an NT Windows specialist. These kinds of jobs are available outside the normal institutional educational cycle, and the demand appears to be growing for those types of entry-level positions.

The CHAIRMAN. This is a very critical question especially from the perspective of the DC. school system. I have traveled to Europe and Asia and have also spoken with CEOs who have informed me that in Europe and Asia, their systems, specially relative to math and other critical areas, are such that many of their students graduate from high school ready to go into these entry-level jobs. Is that your information as well?

Mr. DANIELS. Yes. When we look across our industry, I believe that a large number of these jobs could be filled by people with high school diplomas who then have some additional specialized training to fill those types of entry-level positions. I do not think there is any question about that; that is what we are seeing.

The CHAIRMAN. I think that that is very important to understand, because everybody has this vision of having to have a great knowledge of computers, and I, like others, have been somewhat overwhelmed just looking at a computer and trying to turn it on. I also know that in many cases, the first-graders are teaching the teachers how to operate their computers. So it seems to be a cultural problem and not an educational capacity problem.

Mr. DANIELS. That is a true statement, and I think that we see at all of these levels—high school, several years beyond—that there are many, many jobs, and the demand is going to continue to grow. So that anything we can do at any level to get people certified in certain skills where there are huge demands, we will all be doing ourselves a favor.

The CHAIRMAN. I talked with a teacher in Philadelphia—and I am going to go up and visit him—who teaches calculus to 8th-graders in inner-city schools. Would you agree that we do not really challenge our young people to maximize their learning ability in the school system?

Mr. DANIELS. Well, I will tell you, I think that that is uneven, too. I have seen lots of schools, and of course, one of our primary examples here in the Washington area, thankfully, is Thomas Jefferson High School for Science and Technology, probably the finest high school in this entire country, where the students are incredibly challenged. On the other hand, we see schools where, for whatever series of reasons, none of the students is challenged. So it is very uneven.

The CHAIRMAN. As I go around the country, this is a rough calculation, but I calculate that about one percent of our schools are really doing wonderfully well; that leaves only 99 percent remaining. That may be an exaggeration, but we do see wonderful ones. Our problem in this country is replication and how do you achieve the professional development and the ability for us to convert these schools from very marginal to where they at least give the challenge for those who have the ability and the capacity to fill these jobs.

Thank you very much.

Congressman Moran?

Mr. Moran. Mr. Chairman, I am going to be late for meeting, but I want to thank you so much for having these hearings. I have no questions for Mr. Daniels. He got the points we wanted on the record already. Thank you very much, and I want to thank all the witnesses.

We have a lot of opportunity here. I was just discussing with Eleanor, actually, that we are talking about affordable education to fill these jobs, and what Mr. Daniels said about the number of jobs and the amount of money they pay—this is a real win-win situation and very exciting.

Thank you so much for having the hearing.

The CHAIRMAN. OK. I am just going to ask one more question to put you on the record on this. That is, would you and your group be willing to work with us on sort of a regional basis, not just where you are working now, but to try to build the whole region of Maryland and Virginia and the District of Columbia to see if we can coordinate and take a better look at how we prepare kids, because that is what we are here for, is the young people who are in school.

Are you willing to join such an organization if we form one?

Mr. DANIELS. Yes, Mr. Chairman, we certainly are willing to do that and step forward to help you in any way we can. Again, I applaud your efforts in this. It is vitally necessary for the long-term economic well-being of our entire region, and we are certainly a key part of that. Yes, sir.

The CHAIRMAN. Thank you.

Congresswoman Norton?

Ms. Norton. I recognize Mr. Daniels has to go, and the Chairman asked the most important question from my point of view and from the point of view of District of Columbia residents, and that is on the skill level, and I am encouraged by your answer.

You said there are 19,000 unfilled positions. Do you have any sense of what proportion of those jobs are at that fairly entry-level point?

Mr. DANIELS. In our survey, Congresswoman, from the results we got back from the companies, it appears to us that—and Ray, correct me if I am wrong—probably 20 percent of those jobs are entry-level positions. That is the figure I remember. So we have about 20 percent that are entry-level, and then, obviously, we have gradations above that.

The CHAIRMAN. And for the record, what does an entry-level job pay?

Mr. DANIELS. I would tell you in our company, for instance, which would probably be typical here in the Washington area—we have about 9,000 of our employees here in the Washington area, Northern Virginia, Maryland and the District—entry-level jobs would probably pay anywhere from $17,500 to $22,000 a year for entry-level.

Ms. Norton. And you tend to learn on the job, don't you, Mr. Chairman? You then learn enough so that you can qualify for the next leg up.

Mr. DANIELS. Yes, you do, and all of our companies typically have programs internally where we try to train and move those people's skill levels up as quickly as possible.

The CHAIRMAN. Can you give me a rough guess as to, at the end of one or 2 years, what these entry-level jobs would be paying on average?

Mr. DANIELS. It would be a guess, but I would say that after someone has come in at an entry level, if they have been able to progress through the ranks another level or two, they might be up to the $25,000 level. That would be a rough guess.

The CHAIRMAN. Thank you very much. I am sorry to interrupt.

Ms. Norton. That is all right, Mr. Chairman.

This hearing has already brought out another important fact, as far as I am concerned. There was testimony yesterday that the Federal Government, for the same jobs that the private sector has, elevates the education level requirements, and sometimes you have to have a college degree plus 3 years of experience, as I recall the testimony.

Two questions. What is your experience if you have any in that regard, and second, what percentage of these 19,000 jobs are unfilled Federal jobs, do you believe, roughly speaking?

Mr. DANIELS. Oh—all of those 19,000 jobs were private sector jobs among our technology companies just in Northern Virginia when we did our survey.

Ms. Norton. So there are probably a lot of other unfilled jobs that the Federal Government has in the same areas?

Mr. DANIELS. Oh, I think so. I think that that would be true. And I am sorry—your other question?

Ms. Norton. My other question was the greater requirements of the Federal Government—is that your experience, and what can you tell us about that?

Mr. DANIELS. Yes. Our experience in the industry has been that as the technology has moved along, probably a number of the requirements in things like Federal RFPs are antiquated to the degree that they may say someone has got to have a B.S. in computer science to fulfill a certain category of requirement in a bid or a job. It appears to us that that is no longer the case. I could not give you a percent, but we see that as a topic of conversation in the industry, that the requirements are antiquated. People now might not need that particular degree level; they might well have a 2-year degree and be well-suited for that job.

So those just have not caught up with the reality of what we are dealing with.

Ms. Norton. Mr. Chairman, I am going to ask if perhaps you might join me in a letter to the OPM, asking that they look closely at their requirements for particularly the entry-level jobs. If they hear not only from me but from you, Mr. Chairman, maybe we might get someplace with them.

The CHAIRMAN. I would certainly be happy to do that.

Thank you very much, Mr. Daniels.

I am going to ask the third panel to come up now, and also will ask, for myself, a 5-minute break.

Mr. DANIELS. Thank you, Mr. Chairman.]

[Recess.]

The CHAIRMAN. The committee will come to order.

In the first three panels today, we have learned about the problems of education, educational infrastructure and workforce problems plaguing the District of Columbia and the surrounding area. The purpose of this panel—including Mr. Hartman, whom I will introduce—is to provide insight into the history of these problems and to give us some information on how these problems occurred.

First, I have known Andy Hartman for a very long time since he worked with me on the House Education and Labor Committee. Nothing makes me prouder than to continue working with former staff members who go on to do great work after leaving me and the Congress behind. Andy has done just that. He is director of the National Institute for Literacy, where he has been for the past 4 years. He has been a national leader in the field of literacy studies, and I welcome him back to the Congress.

I would just also add that I believe that one area where there is a great deal of education needed among the Members in particular as well as the rest of the country, I guess, is what all of the standards mean. To me, knowing the basics means you are in pretty good shape. However, when you get to the Stanford test and those kinds of things, the basics are far from enough. So we all get confused as to how well-off we are or how bad off we are if we do not understand these definitions and what they mean—terms like "functionally literate"—and also understand in terms of numbers of people in this country what they mean.

Dr. Hartman, please proceed.

STATEMENTS OF ANDREW J. HARTMAN, DIRECTOR, NATIONAL INSTITUTE FOR LITERACY; CAROL O'CLEIREACAIN, ECONOMIC CONSULTANT AND ADJUNCT ASSOCIATE PROFESSOR OF PUBLIC POLICY, NEW YORK UNIVERSITY; PHILIP M. DEARBORN, PRESIDENT, GREATER WASHINGTON RESEARCH CENTER; AND GERSHON M. RATNER, VICE PRESIDENT, DISTRICT OF COLUMBIA APPLESEED CENTER FOR LAW AND JUSTICE

Mr. HARTMAN. Thank you, Senator Jeffords and Congresswoman Norton. Thank you for inviting me.

It is an honor to be here as well, Senator Jeffords, and great to come back full circle. We have been working together, but to be actually here in front of you is a real honor and privilege.

You said earlier that your staff asks you the "Why?" question, and General Becton is probably the only other person who gets asked the "Why?" question when he goes home at night by his wife and family as well.

The CHAIRMAN. Yes, I think so.

Mr. HARTMAN. You are both to be really commended for digging into an issue that neither of you have to; you are both doing this because you want to, and we thank you for looking at education and training in the District of Columbia.

I do not think you have to be an expert to look at the test score numbers and the figures from the District of Columbia to that what we have really is a disaster. And whether it is looking at it on an individual level or what it means to families or to the communities or to the region, education achievement in the District of Columbia is a serious, serious problem.

I would actually take a different point of view from Mr. Daniels when Congresswoman Norton and yourself asked him about these jobs. I do not think that for many, many adults and youth and probably the children in this school district that even the entry-level jobs that he was talking about are just one step away from their grasp. Actually, I think they are several steps from that, and in fact, I know that is the case.

With 89 percent of the 11th-graders in the District of Columbia scoring "below basic"—and I will talk about what that means—in mathematics, they are not ready for NT training for Microsoft. They are years away in education and training from that.

So I think it is a myth if we say that just a little bit of this is going to help people move into these good jobs, and that we have all of these people here and all of these jobs in the newspaper. It is going to take a lot more, and it is a lot more complicated and difficult a job that we are looking at for where people are in the District of Columbia.

The other part of this is that the District of Columbia does not have a system to do that right now. It is not just elementary and secondary schools; it is the education and training for adults as well that is lacking. And here especially, if we do not look at it as a regional system, the idea of building that system from scratch in the District of Columbia is probably not within the next 10 or 15 years, I would say, a horizon for the District of Columbia. So that if we do not look at the community college system in Northern Virginia as a place for DC. residents to get that kind of training, then I think there is not a solution available right now.

We are talking about roofs on elementary school buildings. We are not talking about training, the kind of training we are talking about, to help the young adults and adults in this city become NT technicians. That is another whole world and universe of work to be done that is not within any of these bond estimates or anything else here.

There are really three quick things, Senator Jeffords, that I want to try to deal with and that you asked me to cover today to underpin that. I want to start there, because it is where Mr. Daniels left off. That is, what do these test scores mean in the District of Columbia? What does it mean that "x" percent of are "below basic," at "basic," "proficient"? What happens to these students as they progress through school and out of school, because it sounds like something magical happens when they leave school; their lives continue for better or for worse. And then I will try to put that same information into a national and, if time allows, there may be two questions, if you are interested, an international perspective. And I will try to do this very, very briefly.

The CHAIRMAN. All right. I am interested in the latter question, yes. Go ahead.

Mr. HARTMAN. Looking at the Stanford 9 test, it is important to know that there is really nothing inherent in the test items themselves that these thousands of DC. kids took last spring that tied it to what actually is functional or not functional. Actually, what Harcourt Brace, the company that created the Stanford test, did was to take 200 teachers and ask them to look at the individual items on the test—and you will see in my testimony on pages 2 and 3 actually the verbatim kinds of criteria that Harcourt Brace created for "advanced," "proficient," "basic" and "below basic"—and asked them just to rate the items. As human judgment, as teachers, do you think somebody who signifies superior performance could do this item well or not? Then, they aggregate that information, and they set these cut-off levels, and then students in the District of Columbia take the test, and they use those cut-off scores to decide how many students are in these categories.

I do not think that is a bad way to do it. It gives you more information than just knowing, when your child comes home, that "I got an 89 today," because that just tells you how you did, it does not tell you how you should have done. What the teacher judgments are supposed to give us is some sense of what students should be doing, and it imposes a community or an educational standard on top of the raw data.

But I think it is also important to note that Harcourt Brace has not done research to actually follow those kids and say do in fact kids let us say at the upper level of "basic" do a lot worse than those at the lower level of "proficient." We really do not know that. There is a certain amount of arbitrariness to the actual levels. But we do know, for example, that being "below basic"—and I can talk about it a little bit in the questions, if you want—what exactly they can and cannot do. But at fourth grade, most of the children "below basic" can read a little bit. It is not like they cannot read words like "bat" and "cat" and "sat"; but what they cannot do is read fairly simple sentences and make inferences and judgment, and they cannot explain the basic core meaning of paragraphs and things like that.

So they can actually sound out; the phonetic part of it, most children who were born into America and born into an English language-speaking family and do not have a serious disability have some reading skills, and you know this from your "Everybody Wins" project. It is really when we are talking about "below basic" and "basic"—we are already talking in fourth grade about using your reading skills to do certain things.

So I think it is important to realize also that we are not talking about totally illiterate children in these groups.

Let me talk a little bit about where these children go. If you look at the test scores in the District of Columbia, you can see that steadily, as the children go through the DC. school system, the number of children "below basic" increases. This is very different from nationally, where it actually decreases, like with the NAEP scores, fewer students at each grave level are "below basic."

The CHAIRMAN. Could you repeat that, please?

Mr. HARTMAN. On he NAEP, which is the national assessment, which is actually very similar to the Stanford 9, if you look at cohorts moving through the grad systems, there, they test at fourth, I believe it is eighth, and 12th grades the actual number at the level of "basic" and "below basic." The number at "basic" "goes up," and the number "below basic" goes down. So that as kids are going through school, the "below basic" group shrinks; in DC., it increases, in fact dramatically in reading and in math. By 11th grade, 89 percent of the students who are left in school are "below basic." "Below basic" means they are not able to do some very fundamental math, like addition and subtraction with multiple numbers, cannot do fractions and other fairly important basic functions.

The point I was going to make is that every year in the District of Columbia, over 10 percent of the students leave the schools without a diploma. So that if you take all the freshmen and seniors in DC. public schools in the fall, and you look again at the end of the spring, 10 percent of the students are gone, and that does not count the students who got a diploma and graduated. So that every year, you have 10 percent of students coming out of high school, so that by 11 grade, 89 percent of kids are the ones who are left. So you have probably already lost 20 to 30 percent of the poorest-performing students, and those are left are still performing "below basic" at 89 percent.

The CHAIRMAN. What you are saying is that if you took all the kids who dropped out and put them into——

Mr. HARTMAN. If you look at the school age population, what I am saying is that the Stanford 9 tests are actually an overestimation of the DC. school-age population's academic achievement. If you did the whole in school and out of school youth test, which is very hard to do as you can imagine, it would be—and you would guess; no one has done this—but it would be almost certainly, since we know why the children drop out of school—mostly, it is because they are doing very poorly—it would be a lower score. This kind of goes back to the whole point that Mr. Daniels was making, that there is this pool of individuals in DC. ready for these jobs. I think that if you look at the scores, it really indicates otherwise.

Adults in DC., not surprisingly since this is really a feeder system if you look at what is happening with the kids and what is happening with the dropouts, in DC., about 37 percent of adults in the National Adult Literacy Survey, which was the last National Adult Literacy Survey, were in the lowest of five literacy levels. This would perhaps be comparable to being "below basic." That compares with about 22 percent across the country. There is actually a map, the first attachment in my testimony, which looks at other States and how that compares.

So not only is that troubling for economic reasons, because in Level 1, these are individuals who are probably several years away in education and training from being able to get the kinds of jobs you are talking about—and we know that because there have been lots of efforts, as you know, to attempt to educate and train people who are disadvantaged and have low levels of education—it does not happen in 6 months, it does not happen in 12 months, it does not happen in 6 weeks, and it takes a lot of resources. It is very expensive and very intensive.

Not only that, but in the District of Columbia, these are the parents of the children who are in fourth grade taking the Stanford 9, and one of the best-known education facts we have is that parents' education and what they do with their children at home has a great deal to do with how their children do in school. And the fact that the District of Columbia has such an adult literacy problem connects to why they have a children's literacy problem, and really, the District of Columbia has an intergenerational literacy problem, which is my point. So that just trying to fix the elementary schools alone is important and has got to be done, but I do not think that, ultimately, it will be enough. I think we have got to deal with it as an intergenerational problem.

On page 4 of my testimony, I try to put the District of Columbia scores into a national perspective, and you can see that basically, the distribution of scores in the District of Columbia looks like the Nation. We are kind of lucky here, because the NAEP, the national assessment—Stanford, I think as a marketing tool, actually used the same curriculum framework that NAEP did—so what NAEP and Stanford are based on, curriculum-wise, is the same. They also use the same strategy and technology of creating their levels of "basic," "below basic," "proficient" and "advanced." So they are somewhat comparable. They have not actually done a linking study,but I think that with some care, you could look at them. And what you find is that nationally, about 40 percent of fourth-graders are "below basic" in reading; and in the District of Columbia, it is 45 percent. If you look at "below basic" and "basic" together, you have about 81 percent of those in the District of Columbia versus 70 percent in the Nation.

Ms. Norton. What is it in big city public schools?

Mr. HARTMAN. That is a very good question, Ms. Norton, and I actually asked both Richard Wiggins from the DC. schools as well as some people from Harcourt Brace that question, and they did not have right now—there are some other cities starting to use the Stanford 9, and I would have liked to have been able to talk about that—I do not think it is going to be that different. I do not think the District is that incredibly different.

In fact, in Boston, MA, they are dealing with exactly the same issue. There is a big report that came out in Massachusetts that was all over the press by an organization called Mass Inc., talking about the need there for basic skills instruction, the same issue that I am talking about, that the adult population in Boston is not ready for the high-tech area that in the Massachusetts area are also going begging and the gap that needs to be filled.

So while the NAEP scores look the same, this trend I mentioned before, the fact that on NAEP, 25 percent of 12th-graders score "below basic" compared to 53 percent "below basic" in 11th grade in DC. public schools.

So in other words, while at the fourth grade level, the percentage shows that DC. is doing worse than the rest of the Nation, and at the eighth grade level a little bit worse, by 11th grade and 12th grades, DC. has fallen behind the national figures by 2-to-1. And there, while it may not be worse than other large cities, that would be an interesting thing to look at in Chicago and Cleveland. I think that what is going on in the DC. high schools, just looking at the data, seems to be a real tragedy when you have 90 percent of your students that way. We also know that it is the math scores that are predicting success in these technology jobs much more than the literacy prose scores. So if 89 percent of your in-school 11th-graders are having trouble with the most basic mathematic functions, that is obviously a big problem.

The CHAIRMAN. Again, you would also have to compare the dropout rates in the cities in order to get a correct picture.

Mr. HARTMAN. Right. For example, Chicago—and I know you were just there, Senator Jeffords—does have and has had a very high dropout rate, in the 40's and 50's, and the District of Columbia has a dropout rate in the 40's and 50's; so they are probably pretty comparable.

The CHAIRMAN. Yes.

Mr. HARTMAN. We are talking about the District of Columbia here, and it is a little different here. We are also trying to talk about regional, and I guess the issue on the table is that there will be regional development here, and these jobs will probably somehow get filled. If the question is will residents from the District of Columbia be tapped to fill those jobs, that may be a little different than in some other regional areas where there is not this sort of problem that we heard, for instance, with the tax issue, that that is our money going here, where they have gotten over the regional issue, I think, in some other areas.

On an international front—let me just jump ahead and end there—having said everything that I have said, you might think that internationally, the U.S. must be dragging at the bottom of the bunch. Actually, it is quite the opposite.

If you look at the averages, the United States is doing pretty well. For example, in reading, the United States is second in a comparison of most of our international trading partners done by the OECD—in fourth grade and in other grades as well. But looking at the fourth grade, the United States came in second behind Finland. Then, there were about six programs in a pack, the U.S. being in that, that were really not distinguishable statistically and then others behind them.

Well, it is interesting that if you look at the distribution, the distribution in the other countries tends to be more packed together, and the United States is more strung out. So that while our average is pretty good, we basically have a long tail. The difference between our 25th percentile and the 75th percentile is much wider than most of our other competitors.

The CHAIRMAN. But we are talking about reading right now?

Mr. HARTMAN. Reading, yes. And we do not do as well math-wise compared to our competitors, but I do think that the issue of us having a broader distribution—for example, in DC., actually, at the very top, with the most excellent students, the District of Columbia has the same percentage of students who do excellent in reading and math as in the country. So it is really at the bottom end. It is when you get into the basic, the meat of it, the middle of the curve, where DC. disappears and gets bumped down to the bottom.

With adults, it is the same picture, and I have graphs of this in my testimony. What is interesting here is that, again, the United States, with our adult population does pretty well. We actually have a very large group at the very top two levels, Levels 4 and 5, as you can see on Attachment 4, but we also have a very large group in the lowest level, Level 1.

The last point I would like to make, and I know, Senator Jeffords, this is something that you have been interested in, and I think it addresses something that Mr. Daniels said. It is not an issue just about the District of Columbia. If you have the testimony with you, you could look at Attachment 5—and I actually just saw this myself recently—this is a study that came out about a month ago done by OECD, which is a part of UNESCO that does international educational comparisons. Basically, what you are looking at is how good are the literacy levels of students with different levels of education in different countries. And what is actually shows is that if you look at school dropouts from a variety of other countries, their literacy levels are actually quite a bit higher than the dropouts in the United States. In fact, the dropouts in our country are way, way down in the cellar, and our high school students are below the high school students in other countries.

So when you asked the question, Senator, about whether high school students in other countries are ready for these jobs, this data would indicate that high school students, high school graduates in the United States, are not up to international high school student levels. And, more importantly, high school dropouts in this country are way, way below the level of high school dropouts in other countries. In the District of Columbia, basically, 126 percent, or 130,000 DC. residents over the age of 25, have less than a high school education. Half of that number have not completed eighth grade.

And if you look at the literacy skill levels of that population, I will just say that for DC. residents, particularly these individuals—and I know what you are trying to do here, Senator Jeffords—the people who need the help the most to be part of the world economy, in a regional economic development, with the kinds of jobs that the person who spoke just before me was talking about, we are talking about a very large, very significant effort and one that, without question, is going to have to tap into the education and training resources of the neighbors of DC., because DC. does not really have a community college system or the kinds of systems that it is going to take.

So I guess I would encourage you to follow this work. I hope that you keep and maintain your focus on the whole lifelong learning part of this, and I would be happy to try to be of any help I could in the future as you design it, because I know that you are going to want to try to make something happen here and not just have hearings, and I would love to be a part of that.

Thank you.

[The prepared statement of Mr. Hartman follows:]

The CHAIRMAN. I appreciate that, and I will be calling upon you and will not pursue too many additional questions at this time. But one area that made me well aware of some of the problems you have indicated is the GED test. I saw a comparison of our GED questions with those of about five or six other countries, and I had no trouble whatsoever answering the GED questions on the United States test; but I was embarrassed to attempt to answer the questions on the GED tests of the European and Asian nations—yes, embarrassed, I guess is the best way to put it.

Ms. O'CLEIREACAIN. Challenged. You felt challenged.

The CHAIRMAN. Yes, "challenged"; right. I was looking for a better word than "embarrassed," so thank you.

Is that the situation, that our GED is really sort of "dumbed down" to allow people to get a high school diploma. Have you studied or taken a look at that?

Mr. HARTMAN. Well, I think it speaks more to the issue of standards across the board, because the to pass the GED testing and the score that is set for it is actually benchmarked to giving the GED to high school graduates and that a certain percentage of high school graduates in the country have got to be able to pass it. So if you give the test to high school graduates, and 30 percent of those high school graduates cannot attain that score, that is where the passing test is. So that 70 percent of high school graduates have got to be able to do better than the cutoff score for the GED.

So while it may be true that a passing score on the GED is seen as "dumbed down" or too low—and it has received a lot of criticism, and some people have stopped using it—actually, there is a professor at Harvard, Dr. Dick Mernain, who has shown that what you get economically from a GED has just been going like this. I mean, the economic value of a high school diploma has been going down for the last 9 years, and the GED has been plummeting further, but it is really yolked to the high school diploma. So I think that on the issue of what is a high school diploma worth in the United

States versus internationally, the graph I just showed showed that it is empirically less, and the GED is probably no better or worse, I would say. It is something the GED is aware of. They actually have a projected called "GED 2000," where they are rewriting the GED for the year 2000. So there are lots of different directions in which they are being pulled.

The CHAIRMAN. And that presumes a certain amount of professional development and so on to raise the levels in the schools?

Mr. HARTMAN. Do you mean professional development for technical——

The CHAIRMAN. Along the school level, so that you will get a higher level of intelligence or ability to take those exams.

Mr. HARTMAN. Well, what is actually happening right now—it is interesting—it is sort of a common thought that the high school completion rate has been pretty level for years, and it has been, but a very interesting thing has happened over the last 3 years. About 6 percent fewer students in the country are getting a high school diploma, and 6 percent more are getting a GED. So with the higher standards—and I know some States are doing away with social promotion and all that, and this all makes good sense in a way—but if it is not dealt with systematically, it is pushing kids out of the system, and they are getting a GED, for both better and worse.

So what is happening is that the same number of kids are getting a diploma, but more kids are getting the GED. So I guess the answer would be yes, we do need to raise the standards of schools across the board in professional development, and a lot of States are trying to do that. I think Vermont—and Mr. Mills was there—has been doing a great job in that, because it is your testing, it is your students, it is your parents, it is your business community—it is everybody. And you actually have got to have a pretty together community to do that, and you have to have leadership. When your schools are being closed for fire violations, when you are having to put roofs on buildings—and I think Dr. Ackerman coming to DC. is a great sign—but the fact that people are still beating them up over the school buildings, and we are not talking a lot about the test scores——

The CHAIRMAN. Yes, I understand.

Mr. HARTMAN. I mean, understandably, we are worrying about the roofs and boilers. I do not think that that is a bad thing. But in Vermont, they have been talking about test scores for over 10 years intensely, so a place like the District of Columbia is behind.

The CHAIRMAN. And Vermont has a way to go as well.

Mr. HARTMAN. And everybody has a way to go.

The CHAIRMAN. Everybody, yes.

Mr. HARTMAN. Someone before was comparing the District of Columbia to Chicago, and I actually went to graduate school in Illinois and worked on some score form things there, and they were going through their own sometimes failed efforts, and they were grappling with the score form issue 12 years ago. So to go to Chicago now and said, well, they just started something a year ago, I do not think—and I have lived in DC. now for 14 years—I do not think would be a very good comparison, because I think they have been grappling with this issue in other cities a lot longer than they have in the District of Columbia.

The CHAIRMAN. Who has a time problem at 2 o'clock besides Dr. O'Cleireacain?

[No response.]

The CHAIRMAN. Would it greatly inconvenience the rest of you if I go to the doctor first and then let her go before I listen to everybody else? Would that create a problem for anybody? OK, fine.

Ms. Norton, please proceed if you would like to ask Dr. Hartman any questions, and then I would like to let him go.

Ms. Norton. I have just one question of clarification. I believe it was last year when Franklin Smith was superintendent that there were figures in the newspaper that showed DC. students doing extraordinarily well—it was very specific—and that they had risen "x"-teen thousand points. So I do not believe any of these tests, and when I went to speak to a group about something else on Saturday, a couple of teachers were in the room when I was deploring the test results. One of those teachers got up and said, "Ms. Norton, one of the things they are not telling you is that the test they gave is the first time we have ever had an open-ended test."

I think she meant that instead of a multiple-choice test, all of a sudden, these youngsters, a healthy percentage of whom come into the system not ready for school and certainly disadvantaged, were told, Here is a test like nothing you have ever seen before—and I do not know whether she was talking about fill-in-the-blanks or whatever. So what we are dealing with on the one hand is that no more than 2 or 3 years ago, the newspapers were comparing them to other jurisdictions, I remember, comparing them to their last year. And then, of course, this year, we are told we are the worst folks in the country.

So it is very important for you to bring out that we are talking about the District of Columbia as compared to States. As long as we are doing some comparisons, I do want to note for the record that the District of Columbia has the highest percentage of adult population at Level 1 literacy, and you have just said that our numbers at the top are the same as everybody else's. But what I need from you is an explanation of how people give tests in this country if, I would say about 3 years ago, a very specific memory—and by the way, the same was true in the region; they also were told that their scores—and by the way, the region's scores went down last year, too—so I do not know whether we are comparing apples to oranges, whether we have no longitudinal way to really trace a child throughout 12 years, but I really do have to ask you what is your view of these scores last year, when we were told 2 or 3 years ago that these children were improving, and they had the figures to show it.

Mr. HARTMAN. Well, a couple of things. What I want to say—and I do not want to seem overly sensitive to this, and when I wrote this testimony, I was concerned about it; and I am not trying to be overly negative or trying to make a crisis out of something that is not——

Ms. Norton. I am asking for your expert opinion.

Mr. HARTMAN. I know, but I personally believe as an expert—and I have spent last 5 days working with you on this, and for years, I have been working on this—that there is a serious problem in the DC. area, and I think if you went away from here thinking, as the last part of the/conversation with Mr. Daniels, that, hey, all we need to do is have buses to take people from the District of Columbia out to these jobs, I think that would do a big disservice to you, because that is not the problem; that may be part of it for some people.

Ms. Norton. I think your testimony has been very helpful and very objective. I want an answer to a very specific question——

Mr. HARTMAN. On the tests, right.

Ms. Norton [continuing.] And it is very specific. It is: Is there some longitudinal way that a parent can know from 3 years ago how their child is doing compared to now, because I have just told you that 3 years ago, the test scores looked very good, and there was very specific numerical evidence offered to that extent. Now we are told that 90 percent of these children cannot read their way out of a paper bag. And is that inherent in the way the tests you described are given? Is that peculiar to the District of Columbia? In fact, if the scores went down in the region as they did in the District of Columbia last year—and they did—does that tell us something about national scores? I am asking you something about test-giving and how we do it in this country.

Mr. HARTMAN. I understand. From talking with DC. officials last week—and I think this is something that Dr. Ackerman is bringing in—they are instituting a whole new testing program, and she plans to test every student in every grade. This year, actually, they did not do that, but next year, she plans to do that. So that over the course of a child's career, if she in fact does that—and this will be a fairly expensive undertaking, and a time-consuming one to the schools, but probably an important one—a parent would know every year.

The Stanford 9 is considered a very good test. I am not that familiar with what Dr. Raines' and the test scores 3 years ago that you have talked about. I do know there was some concern—I think it was actually mentioned earlier—that they had been giving the same test, actually, the same form of the test, which just from a psychometric point of view is not a good—I mean, it is one thing to be unfamiliar with some kinds of items; that is bad in one way—it is worse to actually be so familiar that you are basically just filling in the answers before you look at the test.

So I think there were some problems with the previous way the tests were being given and how familiar the teachers were with the exact items on them, and they were literally teaching the exact items to the students. Whether in fact this is a little overestimation or underestimation, it is typical when you do change testing programs, as they have this year with the Stanford 9, to have some dip as to the teachers, and everyone kind of accommodates; there is the issue of just the form and the way they are presented.

I do not think, though, that I would throw the baby out with that bath water, either, because if you just look at the dropout data which is in the test—kids are just leaving the schools—on the margins, I am not sure how bad it would be. I would think in general terms, though, they are probably pretty accurate. And we will probably know better—I think you make a really good point, Congresswoman—next year. It is the trend data that will give you a better sense of what is an anomaly and what is good data.

The CHAIRMAN. Dr. Hartman, let me ask you one last question just for the record. What is the definition of "functionally illiterate"?

Mr. HARTMAN. Senator, it is a lot like what is the definition of "basic." There is not one; I do not think anyone has determined one. Usually, you get a group of people together, and——

The CHAIRMAN. What I am looking at is national Census statistics and so on as to the number of adults in this country who are "functionally illiterate," or the number of kids who graduate from high school who are "functionally illiterate." And those figures are so terrible that I would like to know what the definition is.

Mr. HARTMAN. Well, the definition is relative. It is "functional" in what role, and typically, they often use in work with adults, especially with a work kind of background or context. And people looked at the National Adult Literacy Survey and the items, much like they looked at the Stanford 9 items, and they brought in professional, employers, people in human resource parts of companies, people who do training, experts in training, and they looked at it, and they really thought that people at Levels 1 and 2 on the National Adult Literacy Survey essentially were the people who would have functional difficulties getting the kinds of jobs you were talking about, the $25,000 or $30,000 jobs with benefits that are going somewhere. If that is the context, if that is the functionality you want, then we probably have about 40 million adult Americans who do not have the skills to enter that kind of work.

So it is a relative term, and it is like "literacy." It is a continuum of skills, and at some point, you somewhat arbitrarily say, well, this is "functional literacy," and it is a human judgment of what it is, and it depends a little bit on the assessment. But I think that talking about 40 million adults—in DC., that would mean that about 40 percent of the adult population would not have the functional skills to be able to not only compete for the kinds of jobs that you are talking about, that is, a decent job with a decent wage, nor would they really be able to help their children in school when they get above the fourth and fifth grades. They would be outstripped in their knowledge to be able to help their children.

So in those two functional contexts, those would be the kinds of numbers that you would have in the country.

The CHAIRMAN. That is so much lower than other figures I have seen. That is why I ask.

Mr. HARTMAN. Yes. And then, you can——

The CHAIRMAN. Eighty million is the common number used.

Mr. HARTMAN. Right. And if you take the level of functionality to be fully involved, if you look at when people start voting a lot, when do they get involved in reading newspapers all the time, when are they actually getting into jobs that are getting them into the middle class, then you are talking—so there probably are 80 million people who are not going to enter the middle class in today's economy with the skills they have. You are just putting the level of functioning a bit higher.

I have used that number myself, and I find that people are so incredulous about it that I have actually downgraded my own level. So when people say, are you trying to tell me that essentially, I think it is almost one in two people are functionally illiterate, even while there may be some truth to that, I find that in a public argument, it is hard to make, so I have actually been using the more conservative number of 40 million people. Given that we are serving about 3 million people a year in adult education and training programs, that means we have something like a 37-million-person deficit. So it seems big enough to make the point that as a Nation, we are not doing enough.

The CHAIRMAN. Thank you very much. I appreciate your testimony.

The CHAIRMAN. Dr. O'Cleireacain, I want to thank you for coming, and I would say that the book that you prepared to analyze the District of Columbia has been extremely helpful to me, and I appreciate your efforts on that.

Please proceed with your statement.

Ms. O'CLEIREACAIN. Thank you, Mr. Chairman.

I have put a statement in the record, and I really do not want to take any more time than has been taken here today.

I think what you wanted to know from me, or the reason why you asked me here, was your concern over whether the District of Columbia would have in some ongoing way the ability to find the resources to improve the school system, holding everything else equal. And to that, my answer is "No," and I have spent time in this testimony telling you that I think the District of Columbia has a structural revenue problem.

The CHAIRMAN. Also, your spectacular record, which I was going to read off to introduce you, will be made a part of the record.

Ms. O'CLEIREACAIN. Oh, okay. Thank you.

The CHAIRMAN. Unless, of course, you want me to read it.

Ms. O'CLEIREACAIN. Thank you, no. I know who I am, and I think all the folks at the table know who I am, and Congresswoman Norton when she comes back knows who I am.

So I think that that was the issue that you really wanted me to address, and the work that I did on the project at Brookings that is in my book, "The Orphaned Capital," presents the case that for long run fiscal survival, the District of Columbia, which is a city and the Nation's Capital City, basically needs a State. So a lot of what I did in a revenue sense was much of what Professor Raskin spoke to this morning from a constitutional sense. What I did was try to measure from the revenue side of the budget what the implications are for the fact that you have here an entity that functions in an economic way like a city, but in a political and governance sense is neither a city like any other American city, because it does not have a State, nor is it a State.

So what does that mean from the revenue perspective of the District of Columbia? It means that the revenue structure has none of the advantages of a typical American city or State. Unlike a State, the District of Columbia cannot determine what and whom it taxes—and I give a number of examples which I will not go into here, but I think that that is part of what you are drawing on for your commuter tax example—because it cannot choose who and what it taxes, about 41 percent of its property is federally exempt by act of Congress; on workdays, its labor force more than doubles, but Congress has forbidden it to tax those people coming in, which is worth about $1 billion a year in lost revenue; and it cannot tax nonresidents' income from professional partnerships which, if it were a State, it would be able to do if it chose to do.

OK, so it is not a State, it does not have that sovereignty, it cannot do it. But unlike any other city in America, it does not have a State giving it any revenue. It gets no State aid. And to this extent, I am very sorry that the Senator from Ohio left, because I think that as a former State legislator, he understands that most of what legislators do at the Sate level is reapportion the revenue that comes in in the form of State aid to localities or education aid to school districts—the big chunk of their time. The District does not get that, and when you compare the District of Columbia to other cities of similar size, State aid as a revenue source is worth somewhere between 28 to 38 percent of their revenues, depending on whether you are looking at Boston, it is 28 percent, Baltimore is 38 percent, and I would put Memphis in between.

So the District of Columbia is not getting that. The District used to get a Federal payment of $660 million. When the President decided to step up to the plate, and the Congress followed him, in saying that the Federal Government should act as a State to the District's city, you all did it on the spending side of the budget. You not only did not do it on the revenue side of the budget, you took one giant step backward on the revenue side, because the price of getting a Federal pickup of State-type spending was the loss of this Federal payment of $660 million. Even at its peak of $660 million, this Federal payment amounted to 19 percent of the District's general revenue, so it did not hit the range of 28 to 38 percent which would make it look like Boston or Baltimore. But at 19 percent, it was at least 19 percent. It is now zero—well, it is now 190 for a one-shot payment, okay, but in an ongoing sense it is zero, because the commitment has gone away.

So in my book, I propose that the Federal revenues that should be coming to the District of Columbia should come as a payment in lieu of property taxes to make up for the tax-exempt property; it should come in the form of State aid comparable to the 28 to 38 percent; and I also proposed a payment to cover the remaining cost of State-type services, and most of that I think has become a moot issue because of what you did last year.

In sum, I would say to you that your job is not done. The District is further from a sustainable revenue structure than when I arrived 2 years ago to start the Brookings study, and the irony is that the Federal Government in taking a step forward on the spending side by picking up significant amounts of State-type spending took a giant step back by eliminating the Federal payment, so that we are now facing a situation where the revenue structure of the District of Columbia contains no general revenue aid from any level of government, and the burden of District spending and service provision is falling solely on the District's residents and businesses.

We have seen, and I recite here and recite it in the book and Delegate Norton did earlier today, the huge loss of population from the

District. And frankly, right now, from a revenue perspective, the District of Columbia looks like no other city in America, and frankly, I doubt why residents and businesses are going to stay and carry this unique honor of taxation that has been placed on them, with no help from any other level of government, especially when, for the price of a Metro ride, they can use the District tax-free.

So the Congress and the administration have chosen to focus on service improvements and spending relief in an effort to restore the fiscal health of the District, and it falls on me in closing to remind you that it is not enough— you need to take another step—and that without a sustainable revenue structure, we are still going to have an "orphaned Capital."

Thank you.

[The prepared statement of Ms. O'Cleireacain follows:]

The CHAIRMAN. I appreciate that—well, I guess I do not appreciate it—it is so dismal, that I am not sure——

Ms. O'CLEIREACAIN. No, it is not, because you have walked part of the way there. It is really my job to keep reminding you folks that there are two sides to a budget—there is not just the spending and the spending relief side, but there is also the revenue picture.

The CHAIRMAN. Right.

Ms. O'CLEIREACAIN. And really, this is a place that dramatically needs to have the taxes on its residents and businesses lowered, and the way this last Federal package was done, there is no way that is going to happen. You are not going to get enough savings from management reform in the District to fund all of the pent-up improvements in infrastructure, improvements in education and everything else, and in addition be able to cut the tax burden on the people in this small, open place who are constantly fleeing from it.

The CHAIRMAN. Could you give us a comparison for the record of the taxes here and in Virginia and in Maryland? I think in the District, ours is something like 9.3, and it is 7 or 8 in Maryland.

Ms. O'CLEIREACAIN. Do you just mean the income tax rates?

The CHAIRMAN. Income tax, right.

Ms. O'CLEIREACAIN. Yes, right, and about 4.3 in Virginia, I believe.

The CHAIRMAN. So we have a disparity there which would discourage people from coming here. I do not think it has been a major factor, but it certainly is——

Ms. O'CLEIREACAIN. No, but one of the proposals in my book is to cut the District of Columbia's income tax by about 30 percent.

The CHAIRMAN. I am not sure who has come into the hearing room, but I welcome you.

Ms. Norton. Mr. Chairman, if you would yield——

The CHAIRMAN. Yes, please.

Ms. Norton [continuing.] I would say that I join you in welcoming a 12th grade class from Roosevelt High School. I am particularly proud of these youngsters, because they already are clearly not going to be in that 40 percent that Dr. Hartman talked about. They are almost ready to graduate. They have promised me today, because I ask these groups to look their Congresswoman in the eye and promise, but to listen first, to see if they can make the promise that they will never drop out of high school and that they will at least graduate from high school, and this class enthusiastically raised their hands.

I told them, Mr. Chairman, that you were having this hearing and of your deep interest in our schools, and I think you see in the faces of these youngsters their great concern and interest in finishing school. These youngsters go to a school that I had to pass by in order to go to high school. I indicated earlier that I am a graduate of Dunbar High School. My youngest sister, Nellie, is a graduate of this high school because we lived closest to Roosevelt High School, and when the District of Columbia integrated its schools, Nellie got to go to Roosevelt High School. So I very much welcome you here, and I am proud of each and every one of you.

The CHAIRMAN. And I am proud to have you here. The interest that you should have is to see that these schools get improved and that you do all that you can to make the Members of Congress aware of the importance of giving you a good education—and not just you—you are in the 12th grade—but there are so many who are coming along who are going to have great difficulty as we really try to emphasize the importance of a good education and raise the standards.

In addition to that, this city depends upon our ability to make sure you have that education which is necessary to get good employment, and we will hear a little bit more about that in a moment.

I am now going to complete my inquiry of Dr. O'Cleireacain. As you know, one of the issues that I have been looking at is how do we help this whole region be able to have the resources necessary in their school systems to provide the education necessary to get a good job.

I believe you took a look, and I think the District of Columbia finds itself in an unusual situation with respect to its ability to tax nonresidents. At least my inquiries indicate that there is no other city in the country wherein you have an income tax in the city itself, and you are in a multistate situation so that you have a great number of people going in and out of the city, that does not have a nonresident tax. Is that accurate?

Ms. O'CLEIREACAIN. There is only one other city that has a resident income tax that does not have a nonresident tax, and that is the city of Baltimore.

The CHAIRMAN. However, they are not in a situation——

Ms. O'CLEIREACAIN. They do not have a cross-border problem, and as my study pointed out, they get 38 percent of their general revenue in revenue-sharing from the State of Maryland; so they are getting huge support from their State. So the State is functioning as the redistribution mechanism for the suburbs.

The CHAIRMAN. I would also just point out that the money that I would raise by mine, depending upon which proposal you use, or at least a good share of it, would be taken out of Richmond and Annapolis and plunked back into the counties whose workers, who are nonresidents, pay the tax. So that is a little bit different situation, and I would urge my Members who represent those areas to maybe ask their citizens whether they would mind if we picked the pockets of Richmond and Annapolis and brought the money back into their districts to help their education systems.

But putting that aside——

Ms. O'CLEIREACAIN. I guess a different way you could put it, Senator, is that there is a level of income being generated in the District that right now is sending a billion dollars to Richmond and to Annapolis. It seems to me it is not inevitable that that is where it should have gone—right—but that is where it goes right now; and the question is are they adequately redistributing it to the region that is generating that income or not.

The CHAIRMAN. And I do not know the answer to that. All I know is that what I have been told is that the citizens of those areas are quite upset because they send a lot more to Richmond and Annapolis than they get back. But I do not know whether that is accurate or not.

We checked to see how they got into this anomalous situation, and it appears that when home rule was to be put into place, it was the astute work of Senators from Maryland and Virginia—I think this deviates a little bit from what you found—but they decided that it would be wise to prevent the imposition of a nonresident tax. So they convinced their Senate counterparts that that was a good idea, and they came over to the House—and I have read the record—and the House of Representatives by standing vote voted down their prohibition to tax nonresident income. However, as often happens when you get to conference committee, somehow that issue became of such importance to the Senate conferees that it was one which the House gave up on.

I just wanted to clarify that history. I think the highest tax that I have run into on nonresidents is in Philadelphia. Is that accurate?

Ms. O'CLEIREACAIN. Yes.

The CHAIRMAN. It is about 4.5 percent, I think. And the 3 percent that I have proposed——

Ms. O'CLEIREACAIN. It is roughly the same in New York City, too.

The CHAIRMAN. That is right. Anyway, if you could just signify by a comment as to whether what I have said is accurate.

Ms. O'CLEIREACAIN. What you said about Philadelphia is accurate. What I just said about New York City is wrong; that is the New York City resident rate. The nonresident rate is very, very low, and we were never successful in getting the State legislature to raise it.

I would like to, as long as I have got you, and I can take my last 2 minutes, say that there are other elements of what I put forward in this book that you might find useful as you try to look for a way to pay in an ongoing way for the improvements in education that have to take place in the District of Columbia.

I would point out, for example, the payment in lieu of taxes for property taxes, because in effect the property tax is usually the local tax for education. If the Federal Government were making such a payment, you could if you wanted direct it specifically to education, and in effect it could be used for either ongoing education spending, or it could be used to back bonds, which is the discussion you were having earlier this morning, because it would become a dedicated revenue source to back bonds.

The CHAIRMAN. Would it be a dedicated revenue source on an annual appropriation?

Ms. O'CLEIREACAIN. Well, yes, I'm not as familiar with the congressional whatever. When you first went into the fiscal crisis, and you upped the Federal payment to 660, you made a commitment that that would come for 4 years, and that was used to back some debt. So I think there could be a way in which you could do it. It would be sort of unique——

The CHAIRMAN. I suppose we could pledge the full faith and credit of the United States in the event we did not do it.

Ms. O'CLEIREACAIN. You certainly could.

Mr. DEARBORN. You might lose the tax exemption, though.

The CHAIRMAN. Thank you very much, Doctor. I appreciate your testimony.

Ms. O'CLEIREACAIN. My pleasure.

The CHAIRMAN. Ms. Norton, go right ahead.

Ms. Norton. I have only one question, Mr. Chairman.

Ms. O'CLEIREACAIN. We have been around this a few times, haven't we, Congresswoman?

Ms. Norton. I appreciate that your testimony concentrates where there has, at least in the last couple of years, been very little emphasis in the Congress on revenue. You speak about the President's rescue package, which of course was not a revenue package as such. It ought to be noted for the record that the billion dollars that the rescue package takes off the District of Columbia now and in the outyears ought to provide revenue relief for the District because it is very substantial when you no longer pay for Medicaid, not to mention pensions. So I think the President deserves a lot of credit for getting this through.

I also ought to say for the record, as Senator Jeffords may know, that it was not in the cards to get it through, that up until the very end, Medicaid kept falling out, pensions kept falling out, people wanted to change it. So I think that, as Dr. O'Cleireacain said, the rescue package is kind of a threshold step to just survive.

Ms. O'CLEIREACAIN. Absolutely.

Ms. Norton. Now you have got to look at where your revenue sources are. The District of Columbia suffers from an enormous credibility gap when it comes to revenue, because nobody believes that people who have a government as large as ours need revenue. Mr. Moran said it, and he is sitting here right in my own party.

I do have one question for you, and that is that I noted that there was the first—perhaps not the first—but there was a more positive response from Wall Street to the District after the proposal of the rescue package. Do you agree with analysts that that really speaks to getting pension liability off of our books and that that in and of itself is going to make the District of Columbia ultimately more creditworthy?

Ms. O'CLEIREACAIN. Yes, yes, but it is not to me a structural revenue issue. You still have the problem that for ongoing employees, you are going to have to implement, and the District of Columbia has to implement, an ongoing pension system; they are going to have to pay for it, and if they do not change, the benefits—which I am not expecting, or they are not proposing to do—this is still going to be a large expenditure that is going to have to be paid for.

So having spent a fair bit of time looking at what got revealed to the market and what is in the official statement of the District when it goes to the market, I think the District gets a lot of support from the market because of the Federal Government connection. No matter how large the letters are you print it, there is not an ongoing Federal commitment in a revenue sense. I do think that ultimately, the market expects it, and I think they viewed the President's package and the fact that the Congress passed it in a very favorable light, yes, absolutely—but I think that when you look at the existing 4-year plan for the District that is out there, the 4-year financial plan, you see real problems developing. You do not see a way of getting out of them unless you begin to tackle the revenue side.

Besides, given your numbers and what you said this morning about the people who are leaving, which I recite here again in my testimony, I do not think we have the time to wait to begin to make the District more competitive on the revenue side, and I think the only way that that is going to happen is if the Federal Government begins to play the role of the State on the revenue side, following the commitment they made on the spending side. That is all.

Ms. Norton. Thank you.

The CHAIRMAN. I have one additional question, and I do not know whether you can verify this or not, but I think it is important to understand when we take a look at priorities here.

Polling information came to my attention—I do not remember just from where—that indicated that when people are looking at where to locate, one of the most important things is to be close to the job, and that second, they want to feel safe, and right along with that in a tie, they want good schools. Do you have any——

Ms. O'CLEIREACAIN. Yes. I have never tried to disentangle whether the high taxes versus the poor services in the District made the difference, but I do cite numbers here from the income tax data that show that the biggest outflow of population from the District has been couples—it has been families, and it has been two-earner couples. To me, the inference becomes clear that this is not just a tax issue, this is also a service provision issue, and the most important public service that a locality provides to a family is education.

The CHAIRMAN. I think that that has been missing in the priorities that the President and others have looked at until recently, when they tried to resurrect the revenue side. If you were to take a look at the fact that over two-thirds of the people who work here live outside the side, I think one of the best ways to get your revenue back in the present situation is to get them to move back into the city. I know that is easier said than done, but I just wanted to thank you.

Ms. O'CLEIREACAIN. And that is a calculation that takes place, again, on both sides of the budget—on the revenue side and on the expenditure side—how good your services are and whether you get value for your tax dollar.

I want to apologize to the fellow panelists for bolting, and thank you for your patience.

The CHAIRMAN. Thank you very much. I know you have another commitment, and I held you over, so I appreciate you spending the extra time with us.

Our next witness is Philip Dearborn, who is here today in two of his many capacities. He is president of the Greater Washington Research Center and executive director of the DC. Tax Revision Commission. In his first capacity as researcher, he can inform the debate about the economic status of the DC. region, and in his second capacity as a policy expert, he can inform us of plausible solutions to the area's financial woes. With a personal history in the area for over 25 years in scholarly work into the city's major financial problems prior to 1970, we are lucky to have you with us.

Please proceed.

Mr. DEARBORN. Thank you, Senator. In the interest of time, I will just make a few comments about the subject that you specifically asked me to talk about, although I will be happy to respond to whatever questions you wish, and that is the ability of the schools to finance infrastructure.

While there is some question about how much money the District needs, it surely is in excess of a billion dollars, and some estimates have put it at $2 billion. The current problem is that the District does not have anywhere near that capacity in its general obligation bonds. While it will be getting, I think very shortly, an investment grade rating on its bonds, it is constrained by both the 14 percent charter debt limit, which is a relatively liberal debt limit, I might add, comparatively speaking, and even more constrained by the fact that about 75 percent of its property taxes are committed, and with the current plans for $150 million in debt a year, depending on what happens to the property tax base, it could run out of property tax capacity very shortly, and that is with a property tax rate for commercial property that is about double that of the suburbs.

So there is quite clearly a major problem which was discussed earlier about financing infrastructure. Under those circumstances, it seems to me there will have to be some kind of creative approach taken to financing what is really a vital component of the educational system.

A couple years back, some of us were looking into some possibilities on this, and I think there may be some aspects of this that can be overcome with some creative thinking and some very detailed and explicit planning. While I know you heard this morning about the progress the schools are making on planning, I think it has a long way to go before it can really be put into a framework where you can go to Wall Street or to other places for funding and expect to have $1 billion or $1.5 billion committed over the long-term for this.

Let me just say that the work I have done on this has led me to think about this problem a little differently, and I might just share that with you. Illustrated this morning was the fact that the District schools for many years now have really been preoccupied with their physical plant. The roof problem was not just found last year; the roof problem goes back to the eighties—it really goes back to the seventies—and the whole question of maintenance of these buildings and so forth has been around for a long while.

The construction, maintenance and operation of buildings does not seem to me to be really an appropriate thing to link with education. The school system should be focusing on education, and not these things. If you look at a law firm downtown, for instance, they rely on the Carr Company or somebody else to worry about whether the roof is fixed and whether the heating plant is working.

That leads me to think that there could certainly be some effort involved in thinking in terms that the building the supply of space, the provision of space, quality space, well-maintained space, should not be directly a responsibility of the same school officials who have to worry about test scores and academic problems and so forth.

The second aspect of this is that the District, like all other schools, thinks of financing capital as a separate piece of its finances from its operating budget. Typically, as you have heard, they issue bonds payable from property taxes, and this goes on around the country with referendums and so forth.

Before the former superintendent left, he and I had some discussions about why this is. Why is the provision of space different than teachers' salaries or textbooks and so on? Shouldn't this be a regular part of an operating budget? And if you start to think about it in those terms, it leads you in an entirely different direction.

For one thing, one of the problems with the schools which you have heard about and which is clearly there is underutilization of space. The concept that the provision of space is separate from the operating budget I think leads to that. There is no reason for the schools to conserve on their use of space, to want to minimize their use of space, because they are not paying on that basis.

If in fact the school system were paying on a square-foot basis for the amount of space it uses, and it were paying for 100,000 square feet of space in a school and only using 30 percent, and that extra 70 percent of payment was competing with what they had for teachers' salaries, I think the whole attitude would be much different.

I have not brought this, as you see in my paper, to any conclusion other than that it does seem to me that when you think about renewing the capital facilities of the District Schools—and I think that that is a very important components, because certainly from the schools that I have been in, I would not want, either as a teacher or a student, to have to go there in these drab days in January and try to get an education or try to teach in those facilities—I think that while it is only a small part, it is an important part, and we need to have some new and innovative approaches as to how we are going to do this.

The District is in a very good position because it really does not have another alternative. I think it is going to have to come up with some innovative approach to this, and certainly Congress is going to have to be a part of that.

The CHAIRMAN. Thank you very much. I will defer questions until after we hear from Gary Ratner.

[The prepared statement of Mr. Dearborn follows:]

The CHAIRMAN. Mr. Gershon Ratner is founder of the DC. Appleseed Center for Law and Justice which was created in 1994 and has been its vice president since that time. He has spent much of his career as a public interest lawyer, but also has worked as an associate general counsel at the U.S. Department of Housing and Urban Development and deputy executive secretary of the U.S. Department of Health, Education and Welfare.

We appreciate you being here. Please proceed.

Mr. RATNER. Thank you very much, Senator.

We appreciate very much that you invited the DC. Appleseed Center to come and present testimony this afternoon. Our center is an independent, nonpartisan organization of lawyers, accountants, and others living or working in the District of Columbia who volunteer their time and professional abilities to advocate systemic reform of the finances and management of the District Government.

DC. Appleseed believes in no uncertain terms that the District Government must set its own management affairs in order if the District is to realize the goal toward which we believe both Congress and the District need to strive—economic and social health under responsible, locally-elected governance.

The CHAIRMAN. Excuse me, if I could interrupt you just a second.

Mr. RATNER. Yes.

The CHAIRMAN. I want to thank all of the students for coming. I understand that we got into some rather complicated areas while you were here, rather than some perhaps more pertinent information this morning, but I appreciate your coming and being with us today.

Thank you.

I am sorry. Please go ahead, Dr. Ratner.

Mr. RATNER. Thank you.

We are not apologists for mismanagement at any level. However, for the Nation's Capital to achieve these goals, the Federal Government, too, must meet its obligation to compensate the District fully for revenue restrictions it has imposed on the District.

I would like to talk for a minute about the history of the Federal payment. For over 200 years, the Federal Government has made annual cash contributions to the District Government. The Federal payment was first made in 1790 and averaged between 40 and 50 percent of total District expenditures under 1925 when Congress began to determine the Federal payment on an ad hoc basis. That ad hoc system continued through the institution of home rule in 1973.

Congress has since grossly diminished the relative size of the Federal payment, reducing it to between 13 and 18 percent of the total District expenditures in every year from 1985 to 1994. In fiscal year97, the last year Congress made a full Federal payment to the District, it was $665.7 million, merely 13 percent of the District's 1997 expenditures—as small a percentage as at any time since 1823.

So that if Congress should proceed with eliminating the Federal payment, not only would that cause some serious financial harm to the District, but it would be historically virtually unwarranted and unprecedented.

A fundamental justification for the Federal payment is to compensate the District for revenue-raising restrictions imposed by the Federal Government. The two restrictions that appear to cost the

District the greatest amount of revenue are Federal laws that 1) prohibit the District from taxing the income that nonresidents earn in the District—and we have heard some about that already—and 2) Federal laws that exempt from local property taxation the 42 percent of the land in the District that is either owned by the Federal Government or—because it is an embassy or for other policy reasons—is defined by Federal law as exempt.

If the District were permitted to levy a typical commuter tax rate of 2 percent on income earned by nonresidents, DC. Appleseed estimates that the District would have raised between $457 and $471 million in revenue in 1995.

Federally-imposed property tax restrictions result in even greater annual revenue losses to the District. Federal law exempts parks, monuments, Federal buildings, embassies and federally-chartered institutions from real property taxation by the District. Specifically, 42 percent of District property measured by acreage is exempt from property tax solely as a result of Federal restrictions.

In its November 1995, DC. Appleseed estimated that the District Government lost $693 million in 1995 property tax revenues as a result of these restrictions. Thus, in 1995, the District lost at least $1.15 billion of revenue due to these two Federal revenue restrictions alone. This amounts to over 20 percent of the District's annual budget.

Between January and August 1997, Congress and the Clinton administration developed a legislative initiative for the District known as the DC. Revitalization Plan, which was enacted as part of the Balanced Budget Act of 1997. The Revitalization Act provision that the Federal Government reassume the District's $5 billion unfunded pension liability is the most significant financial element of the DC. Revitalization Plan in terms of both long and short-term savings for the District.

However, without minimizing the importance of Federal pension reassumption to the District's overall financial condition, it would be improper to treat the $227 million savings to the District as satisfaction of the Federal Government's obligation to provide an equitable Federal payment.

While other Federal costs under the Revitalization Plan are properly considered offsets to the Federal payment, the reason for the Federal Government's assumption of those costs is sharply distinguishable from the reason for its reassumption of the pension liability. By funding the costs of Lorton and other elements of the criminal justice system, as well as a higher percentage of Medicaid, the Federal Government is paying the District for District costs that do not arise as a result of the Federal Government's fault. Thus, the Federal Government's direct payment of these costs may properly be characterized as funding in lieu of a cash contribution in the form of the Federal payment.

In contrast, the unfunded pension liability was entirely due to the Federal Government's own failure to fund the pension plans at the time they were transferred to the District in 1979. The unfunded pension liability crisis arose as a result of the manner in which the plans were transferred from the Federal Government to the District shortly after home rule was established in 1975. In 1979, the Federal Government enacted legislation that in the following year transferred to the District responsibility to make retirement benefit payments to the plans' participants, but did not transfer funds adequate to pay for those benefits that had already accrued during the time of Federal control.

Specifically, the Federal Government transferred to the District $2.7 billion in pension liability that had arisen under the Federal Government's stewardship, but transferred assets and promised future Federal contributions valued at only $687 million. Thus, the District was left with over $2 billion in unfunded pension liability for which the Federal Government accepted no responsibility.

Solely because of the underfunding in 1980, the unfunded liability has grown to exceed $5 billion today. The District has done nothing to exacerbate the unfunded liability. Indeed, it has made extra contributions beyond what it would have had to make just to meet the then current needs.

In light of the foregoing, it is clear that the Federal Government's reassumption of the unfunded pension liability was based on an equitable obligation to reverse its earlier error, and Federal funding of $227 million in 1998 pension costs—and greater amounts in future years—is directly attributable to remedying that error.

To allow the Federal Government to offset this $227 million against its Federal payment responsibility would be unjust double-counting. What the Government was obligated to do for independent reasons may not properly be counted also as a unilateral contribution. Therefore, even with Federal reassumption of the pension liability, the amount of the Federal obligation to compensate the District for federally-imposed revenue restrictions remains at $1.15 billion.

The independent Greater Washington Research Center calculated just recently that in fiscal year98, the Federal Government will spend, in addition to pension costs, $674.2 million on the District under the DC. Revitalization Plan. The manner in which the Federal Government contributes to the District has changed. Whereas the District once received a Federal payment of unrestricted revenue, all but $190 million of the Federal expenditure is now used to directly fund certain District functions. Nonetheless, the financial contribution to the District remains roughly unchanged. In 1997, Congress provided a direct Federal payment of $665 million, while the 1998 budget provides for $674 million in Federal expenditures exclusive of the pension.

When measured against DC. Appleseed's estimate that two Federal revenue restrictions cost the District $1.15 billion annually, the 1998 Federal contribution to the District is still $375 million per year less than it should be. This should be corrected. Whether through increasing the Federal cash contribution to the District, directly paying for additional District functions, or repealing some Federal restrictions on the District's revenue-raising capacity—as a commuter tax might be—Congress should eliminate the federally-caused revenue shortfall that now burdens the District.

Thank you.

[The prepared statement of Mr. Ratner follows:]

The CHAIRMAN. Thank you very much. That is very helpful, and hopefully, we can use this testimony to leverage some more money, wherever it may go. Of course, I want to see it go to the schools. But you have made a very compelling case, all of you, for the Congress to step up to the plate and do what it ought to do.

Mr. Dearborn, you argue that the goal of attaining $2 billion for school repairs is unattainable when the District would be lucky to acquire $150 million for all capital project bonds next year. However, you then say that the District should soon achieve an investment grade debt rating and be able to issue bonds with competitive interest rates.

Can you explain the contradiction there?

Mr. DEARBORN. Yes. The District, for the last several years, has been junk grade with the rating agencies because of the restraint on the spending side and because its revenues are really doing quite well; at the current time, its budget was probably in balance for the fiscal year that ended September 30, 1997. I think it clearly is in balance and may yield a very substantial surplus of revenues over expenditures this year, and I believe the 1999 budget which will shortly be released will show a similar well-balanced budget.

With that performance and with the Federal assumption of some of the most egregious problems facing the city, I feel very confident that probably within a year—and it could be sooner—the District will achieve investment grade. It is already able to sell bonds on the open market at not an unreasonable interest rate, although it is not a competitive rate.

Having said that, that does not change, though, the situation. Because the District has the ability to sell bonds to Wall Street does not mean it can afford to sell those bonds, and those were the two points that I went on to make in my statement. The 14 percent charter limitation on debt service is one that depends on bonds sold and a variety of things, but I think most people agree that the District's current projections at the $150 million level make it likely to be a constraint within the next few years.

Of course, Congress could charge the charter, although, as I said, the 14 percent is a pretty liberal limit, and I am not sure you could change it, but you could. But even if you change it, you still have the problem of where does the District get the money to pay the debt service on additional bonds. And the basic situation with the property tax is that I do not think you can continue to sell general obligation bonds at a substantial rate with a property tax pledge. So something is going to have to be done differently than it has been in the past if there is going to be substantial school funding.

The CHAIRMAN. That is a critical question, and I want to make sure we have it very clear. What would stop us under the circumstances that you have outlined from just telling the District to float $2 billion worth of bonds and pay for it?

Mr. DEARBORN. Well, you would have to first of all change the charter limitation and——

The CHAIRMAN. How much would that require in change?

Mr. DEARBORN. I am not sure. One of the problems is that we do not have enough information in terms of the $2 billion. Obviously, you could not invest the $2 billion all immediately; there would have to be a phasing in. There is debt being retired and new debt being created.

The CHAIRMAN. Right.

Mr. **DEARBORN**. But I would guess you would have to increase the 14 percent by several percentage points minimum—16, 18 percent. But I do not think that is the most serious problem. The most serious problem is from what revenue source would you find the money to pay for this increased debt to pay off the principal and the interest, and that is where the problem comes in.

The **CHAIRMAN**. That means that those who are going to purchase the bonds would be looking at this; is that where you get into the problem?

Mr. **DEARBORN**. Yes, yes.

The **CHAIRMAN**. So you could not sell the bonds.

Mr. **DEARBORN**. Not as general obligation bonds secured by property taxes, no.

The **CHAIRMAN**. Yes. As you have heard from other members, the city has plenty of money now, and as you say, the budget is finally balanced, so the District can pay for the $2 billion in bonds, and I have got to answer that question, and that is why I am pursuing it.

Mr. **DEARBORN**. I know of no other local government that comes anywhere near 75 percent of its property taxes dedicated for debt service. That is an extremely high percentage, and I think it will raise questions with investment bankers. You certainly cannot go to 100 percent of property tax revenues.

Now, the other answer is that you could raise the property tax rates, but as I indicated—and this is something that the Tax Revision Commission will have to tousle with—the commercial rate being about double the rates in the suburbs is already of considerable concern, and I think that would be a very difficult thing to consider because of what it might do to economic development in the city.

The **CHAIRMAN**. I am just trying to look at all options here. What would happen if the Federal Government pledged full faith and credit behind it, but looked to the District to try to pay for it?

Mr. **DEARBORN**. Well, it is apparent that the Federal Government could make anything go with the full faith and credit of the Federal Government behind it. What I was hoping and what I was looking at is if it could be something more subtle than that. For instance, if the school board would lease the space from an independent authority or a corporation or whatever, and the Federal Government could in effect guarantee the lease payments or perhaps assure that the appropriation of the District would include provision for the lease payment so that it was not seen as an indirect guarantee, then I think an independent authority or a corporation could raise its own financing if it was assured of lease payments from the city. That way, you would not increase the debt of the District directly, you would not increase the direct charge against the property tax; you would have this indirect arrangement. And I think the Federal Government would be required with some kind of system like that—I do not think anybody would loan money to a corporation or an authority just on the commitment of the DC. school system that they would include the lease payments——

The **CHAIRMAN**. I think that would be a precarious assumption, yes. What I have challenged the Congress with is—here is my plan, where is yours—to get the $2 billion, and I just want to know what kinds of options are out there, because the thought of going to the Appropriations Committee and saying we need $2 billion on a phased out basis—we are just so constricted on the discretionary funds on the domestic side now that the thought of trying to doing that I know makes some of the appropriations people I have spoken with cringe.

So I want to know every possible option there is, so I can say here is a bunch of options that are out there—pick one. I do not care what it is, but get the damned schools built and repaired, and provide the kids a good place to get educated. So that is where I am headed, and I just wanted to let you know that, and I appreciate your help.

Yes, Dr. Ratner?

Mr. RATNER. If I could just make a comment on that last suggestion, it seems to me that before it would be rational at all for Congress to take that route of a compulsion to the District to float $2 billion, even assuming financially it could get away with it, there are several things that I think Congress would want to look at.

The first would be what is the level of services that the city is providing right now to its residents; and we know that it is very uneven. How much additional savings, if any, can be had through further management improvements in the District, because the money to pay off the bonds, since there is no new money under this, is going to have to come out of the same revenues that the District already has, which means you have got to save money out of the existing budget in order to pay for the bonds, which you can only do if you have good services now, if you could cut back in costs in management——

The CHAIRMAN. Or the lease guarantees as well.

Mr. RATNER. Well—the guarantee of the full faith and credit of the United States?

The CHAIRMAN. On the lease payments.

Mr. RATNER. Oh, yes, on the lease payments.

The CHAIRMAN. The same argument would be——

Mr. RATNER. You would have the same concern. It would just be the quantum of the money. In other words, are you looking for $100 million a year to pay off, $200 million, $300 million? For as many years as either the bond payments will be paid directly, or the lease payments would be paid, you would have to have extra money that the District could pay to that, and if it is not getting any new revenue, it means it has got to save the money somehow within its existing budget. And I think given how much the staffing has already been cut substantially in the District, with the Control Board and the new person who has been hired, that you have some capacity maybe to make some estimates as to how much more money, if any, we can save if we get this place running well. And then maybe, if you could put some figure on that, that might be the quantum that you could talk about and say, well, if we can really reliably estimate that, that is the money that in effect would be earmarked to pay off the bonds. It might not be $2 billion—maybe that would justify $1 billion of bonds, or $500 million of bonds. But it seems to me that you would need to look up front to figure out where the city is going to get the money to pay for this before it would be sensible and fair at all for Congress to jump on the District and say, okay, you issue the bonds or enter the leases, and then you figure out where to pay for it.

The **CHAIRMAN**. Mr. Dearborn?

Mr. **DEARBORN**. Mr. Chairman, I think that one thing that has not been thought through totally on this whole question is that the excess space which we know is fairly substantial leads to—for instance, in 1995, we calculated that $78 million was spent just on maintenance and operating utilities and so forth.

Now, if you made the investment that is being talked about and really redid these systems—and we spoke with some of the energy people—you would have very dramatic savings on the cost side in terms of custodial care, maintenance, utility costs, so that to some extent, it certainly would not pay for the whole cost, but you do have that coming into the equation. Also, once you determined where these schools are going to be needed and which ones are going to be rehabilitated or new ones built, you would have the sale of existing properties, which would generate an additional offset. So it is not as though the whole $2 billion has got to be paid for out of a new revenue source. There will be substantial savings.

The **CHAIRMAN**. I want to be cautious on one aspect of the utilization, because if we are successful, and we make this a safe place to live, and we get good schools, and if you believe that people like to be living in the city, especially near their jobs, I know that in New York's experience when they redid their schools up in the northern part of the area and built schools to house the present population, all of a sudden, people came streaming back in with their kids because they could get a better education there, and they began to get back up to the population level they had before everybody fled the district.

So I have warned my school people do not be too anxious—rent them, maybe—but do not be too anxious to just sell all the property these schools exist on right now, because if the kids start coming back in, they you will have to build new schools. I just wanted to raise that, that we be a little cautious when we start disposing of the property that is there right now.

Ms. Norton?

Ms. Norton. Mr. Chairman, I want to thank Mr. Ratner and Mr. Dearborn for very valuable testimony, and I want to thank both Appleseed and the Greater Washington Research Center for their continuing valuable work for the District on its many complicated issues.

My questions really are to Mr. Dearborn. First, let me say that your work has been universally praised and has become indispensable in a real sense if anybody wants to understand the city and this region in the terms in which the Center works.

I am just enamored with the kind of innovative thinking that you have put into this private school facilities corporation. If you keep thinking particularly about the District, given the bind it is in, in traditional terms, you are really always going to find barriers. And I recognize that you would have to break through the way people think, everybody from residents to bureaucrats, but the notion of getting around the impediments presented by the market and, for that matter, by the District is just the kind of thinking I would like to see the District do more openly. Certainly, the possibility, as radical as it sounds, is a more realistic way to approach it than the traditional way.

The most disappointing thing to me since the District went down has been the lack of really fresh ideas. Instead of using it as an opportunity to rethink the government, it has really been a barren ideas landscape.

So I am very interested in this and would like to look at it more closely.

But Mr. Dearborn, I want to ask you about this matter of the number of children in the schools, particularly given you work on the schools. I mean, they can tell me all they want about head counts. Perhaps they have been counting children who do not live in the District. But all of your work and the work of others tells us that at every class people are going, and the latest work tell us that they are going, particularly now in the lower and middle classes, the only folks left in the schools in any case.

Are they simply counting—perhaps I should put it another way—are we funding a lot of folks who come in here and go to our schools and our day care centers and our kindergartens? Is it plausible that we could have lost this kind of population and still have a relatively stable school population?

Mr. DEARBORN. Ms. Norton, I have thought about that and spoken with many people about it, and I do not have an answer for you. You hear anecdotal stories about people who have moved out of the city but who still work in the city, and it is more convenient to bring them in because the District has pre-kindergarten 4-year-old schooling, and that that is swelling it. You hear that it is adult education, although we did not find any evidence of that when we looked at the adult education. You hear all kinds of theories on this.

On the other hand, the Tax Revision Commission has had two studies, one by George Grier based on our consumer survey, and one by Professor Strauss looking at income tax filers, and both were essentially the same period, 1990 to 1996, and both, using totally different methodologies, concluded that the city has lost, in the case of George Grier, substantial households with children; in the case of the tax filers, tax filers with exemptions, most of whom we presume would be children.

So there is little doubt that we have lost a substantial number of school-age children between 1990 and 1996, and that those numbers do not relate well to the numbers which we have for enrollment between 1990 and 1996.

I think the only way—and I do not want to believe the school people are purposefully or otherwise not counting correctly——

Ms. Norton. I do believe they counted somebody.

Mr. Dearborn [continuing.] The suggest that I have made and that I think is necessary on this is that it be somebody totally independent who has had experience. George Grier has done the New York City count for the New York State purposes. As you know, they get aid based on the enrollment in New York City, and his count is accepted by New York State. Somebody like that, who has had experienced and who is not involved with District school affairs, would seem to me to be essential at this point to, once and for all, determine what is going on.

Ms. Norton. Well, Mr. Dearborn, by process of elimination, one is left with the notion—because General Becton did testify that there had been a head count, whatever that may mean, because I am sure that would have been very decentralized—but I am sure they have done their level best—by the process of elimination, I am really left with a very dreary possibility, and that is that with its diminishing tax base, the residents of the District of Columbia are paying for these folks who do not live in the District. Again, if one were going to hypothesize, one might hypothesize that they are people who are coming here to work, and they bring their children with them. I mean, you have to hypothesize this sort of thing.

I thought that the school system was going to use some form of tax form—I do not recall what it is called—that a parent would have to turn in in order to get admission to school, but I am really at the point where, if we are as over the numbers as I believe we are, to the point where I think we have got to do something very drastic instead of simply accepting these numbers. And particularly given your own work and the kind of innovative thinking you have done on this private school facilities corporation, and even considering what you have said about how you do not have an answer for me on this, I believe it is one of the most important things we could do.

Mr. Dearborn. I agree.

Ms. Norton. We would make room for our own children; we would probably reduce the class size, at least in some grades, and our own tax—we could charge these people. We would have to almost invent a system for admission to the DC. public schools.

Now, I do not know why other cities do not have the same problems. They may not have so many of their workers, for example, living outside the city. There may be all kinds of problems. I just think this needs the kind of study that has not been given to it. The kind of study has been a study of the numbers of children. The facts that we have discussed here need to be discussed so that we can find out why these figures keep coming up in a way that is, quite frankly, incredible and takes away from the credibility of the school system, because I do not believe they are faking the numbers; I think they are simply using a system for counting that does not in fact give a valid count.

Mr. Dearborn. Not only that, Ms. Norton, but I think it is essential if we are to proceed with this capital program that we are talking about, because part of any substance to that would be to look at where the children are coming from now, look at the types—I mean, you have the special schools in the District which are drawing city-wide, then you have the local schools. We need to know exactly, geographically, where the children are coming from and what changes are occurring on a geographical basis, so that in planning for future schools 10 years from now, as closely as possible, those schools can be put where they are needed. If you are dealing with these city-wide, specialized schools, you probably want them near a Metro stop that is most accessible for the most kids.

I mean, we need a lot more information than we have about this whole question.

Ms. Norton. Thank you very much.

Now, you all had better tell the Senator has done a dangerous thing because he has left Eleanor Holmes Norton in charge of a Senate committee. There is no telling what she will do now. [Laughter.]

I am finished with my questions, and I want to take this opportunity to thank each of you, particularly since you have had to wait a very substantial amount of time in order to offer testimony that I assure you was very much worth waiting for.

I am sure the Senator will be here momentarily.

Mr. Chairman, I told them that you have done a dangerous thing, leaving me in charge, Senator.

The CHAIRMAN. I know. I was trembling out there, but I am still working for the District. I have been arranging meetings with university presidents in the area to try to help us formulate sort of a seamless educational system with business and education and so on, and I have one of the presidents out there now, whom I will be talking with.

Well, I want to thank you for your very, very helpful testimony. I am going to do all I can to make sure that we find solutions to these problems for the kids that we are talking about here. I am embarrassed to be a Member of Congress that has the Nation's Capital, which we are responsible for. We are their legislature, we are their mentors, we are everything, and we are not doing anything.

So I appreciate your willingness to come today and thank you so much for your testimony. I may, in your particular cases, continue to fire some questions to you off and on if that is all right.

Mr. HARTMAN. Please do.

Mr. DEARBORN. Yes. Thank you, Senator.

The CHAIRMAN. Thank you all again for very, very helpful testimony.

[Whereupon, at 3:00 p.m., the committee was adjourned.]

[The appendix follows.]

APPENDIX

PREPARED STATEMENT OF KATHY PATTERSON

My name is Kathy Patterson. I'm a member of the Council of the District of Columbia, chair of its Government Operations Committee, and a member of the Education Committee.

Senator Jeffords, thank you for your commitment to the children of the District of Columbia. As a parent of two children in two DC public schools and as an elected official, I thank you for your leadership in finding school facility improvements and for your advocacy of reform in DC Public Schools.

The topic for this series of hearings is workforce development in the greater Washington DC region. My testimony today focuses on issues facing the public schools, but I would also be happy to respond to questions about job training in the District since that is an issue for which I have oversight responsibility in the DC Council.

If you want to know the most significant obstacle to workforce development in Washington it is, in fact the DC Public Schools. You need look no further than the recently published Stanford 9 test scores to see the extent to which we are failing our children. The longer a child stay in DC schools the more damage that's done. In the average high school in DC fully 90 per cent of students tested "below basic" in math. Fifty-six percent tested "below basic" in reading.

These are the kinds of issues that prompted the Financial Authority in November 1996 to turn the school system upside down. I strongly supported that action, having spent much of 1996 working with authority members and staff on education concerns. Because of the circumstances in the last few days—the appeals court opinion last week that the control board overstepped its authority and the audit of summertime roof work that found gross mismanagement-this hearing today offers an opportunity to step back and take the measure of the new leadership structure put in place in November 1996.

Here is what the current leadership of DC Public Schools is teaching our children:

First, they are teaching children that education doesn't really matter that much. How else should school children understand the 3-week delay in school last September? We locked children out of school rooms because the grownups couldn't get their act together to hire contractors in the spring to start construction work June 20. Most of the roof repair projects began in August—and school was to have started September 3.

Second, they are modeling behavior that says: "The law doesn't matter." That rules apply to other people but not to us. We're in an emergency, they say, and therefore no rules apply. The audit released Monday night found that school leaders believed they did not have to follow any procurement rules or laws. Not the DC law; not the federal law. Neither applied to them. General Williams, the chief operating officer, now claims that a condition of his employment in January 1997 was the assurance that he did not need to follow procurement law in fixing DC schools. Senator Jeffords, this is unacceptable.

Third, they are teaching children that the truth doesn't matter. For six months now school leaders have insisted, in the face of documents to the contrary, that the reason summertime repairs started so late was lack of funds. This is known as the "big lie" technique—if you say something often enough, to enough audiences, it will become accepted as fact.

In the audit released this week, five of the top officials in the public schools were cited for "noncooperation" with the auditors hired by the financial authority. The report cites the chief executive officer, the chief operating officer, the chief financial officer, the general counsel, and the chief of capital projects. Each one of these public officials refused to confirm in writing the information they had provided to the auditors. These are public employees playing fast and loose with truth. This is also insubordination.

Fourth, we are teaching that ignorant action is better than no action. The new leadership has adopted a policy of retaining children at grade level based on standardized tests. Not only will children be held back—teachers and principals will be evaluated based on test scores and improvements. There is grave harm being done today by this high stakes testing—testing without the academic supports necessary to give success a chance. Principals, in desperation, are giving practice tests. Assistance has been promised but not delivered. We haven't adjusted curriculum to conform to the standards we are moving toward, but in the meantime we have put a wholly unrealistic testing policy in place.

It has been the perspective of the new leadership of DC Public Schools—and frankly, and sadly, the perspective of the control board to date—that decisive actions such as closing schools and fixing roofs, no matter the cost to children and their education, is what you, the Congress, demanded. I don't think so.

Let me share with you where the DC Public Schools are headed in the next few weeks. It is, unfortunately, the same kind of action we have seen heretofore: ignorant, unrealistic, unlawful.

General Becton has ordered that any teacher who is not "certified" by the end of January 1998 will be fired. Now, what is key here is "certified." The school system's personnel files are in such disarray that it is not possible to say who is certified and who is not. I know that. The former personnel director of the District knows that. Any teacher in the system knows that. Let me describe for you a few of the teachers who are on a list of 1,000 teachers DCPS sent out last week who are supposedly not "certified."

One teacher was hired just last August to teach in an elementary school. Just four months later the personnel office has misplaced her certification records. Another long-term elementary school teacher is deemed to be "certified" as a reading teacher but needs to be certified as an "elementary school teacher" which, of course, is a certification she had to have before being certified as a reading teacher.

Another is a highly regarded junior high English teacher. The personnel office doesn't know what to do with her because she is "dual certified" in French and English. So, for them, she is uncertified. She's one of the 1,000. This is a policy disaster waiting in the wings; waiting to happen in two weeks time. If you thought a 3-week delay in school was disruptive, wait until notices go out to fire teachers based on nonexistent data.

Here is a second headline waiting to happen. The school system might be shut down by a strike on February 1. The Teamsters local that represents engineers and custodians took a strike vote in December, aiming at action February 1. We're talking about the engineers who keep the boilers running to heat the schools and make no mistake: in the dead of winter they can shut down the system.

These support staff workers in DC public schools have not had a pay raise in nearly 10 years despite the fact that they have won arbitration awards, including one upheld by the courts. But the pay awards have not been honored by the school system or the District government. As the clock ticks away, the bill goes up. This issue awaited the trustees and General Becton when they arrived 14 months ago. Because of in action to date, a potential strike is just two weeks off.

I believe, Senator Jeffords, that today is the opportunity to reassess the action taken by the control board on November 15,1996. I respectfully ask that you do nothing legislatively in the wake of the appeals court decision, but that you use your considerable prestige and influence to encourage a reassessment by the control board, working with local elected officials.

A few words on where I think a reassessment could take us.

We need to build on what works. Senator Jeffords, you know and I know that school reform is possible. It has been proven elsewhere—in Chicago, for example, where the budget was scrubbed and managers were fired and illegal procurement was punished. Education reform is possible. We know that universal pre-kindergarten works, and is particularly important for children from troubled families; children living in poverty. Universal pre-school for 3 and 4-year-olds is a positive intervention that should be a top priority for public school leaders. We know that small schools and small classes work—and work particularly well for economically disadvantaged children.

To effectively develop our workforce, we need real and lasting participation from the private sector. The District is currently without a functioning Private Industry Council. Business participation on the School to Work Council is negligible. DC Public Schools have never welcomed participation—it's seen as interference—from the private sector though we know from experience elsewhere that this is critical.

We must get real and stop setting unrealistic expectations. It was foolish to even think about working on 50 schools in a single summer. The idea of requiring teachers to be certified is sound, but first the system has to clean up its personnel shop. General Becton is on his third personnel director. Is it working yet? I don't think so.

We still need to scrub the numbers. The system certified a student count of 77,000 and it was immediately challenged by demographers based on updates of census data and other studies. The last time the system did an actual head count the total was 68,000 students.

Finally, we must build a school system that takes its strength from the community. If the leaders appointed to the system by the control board are unable or unwilling to work with parents and teachers, with elected officials and, yes, even with the elected Board of Education, then they will fail to build an education system that works for children. Arrogance doesn't improve education. Willful disregard for truth doesn't improve education. Anyone in the upper echelons of the system who refuses to acknowledge who the stakeholders are and refuses to work with those stakeholders—and they are parents and other District residents—should be removed from office.

Senator Jeffords, please help us hold accountable those who are accountable by law. Today the financial authority stands responsible for the operation of the schools. General Becton remains as their chief executive officer. Help us hold them accountable.

Thank you. I would be happy to respond to questions.

PREPARED STATEMENT OF JAMES B. RASKIN

The Constitution confers on Congress the same powers over the District of Columbia that states have within their domains. In 1899, the Supreme Court stated that Congress "may exercise within the District all the legislative powers that the legislature of a state might exercise within the state—so long as it does not contravene any provision of the constitution of the United States."[1] In 1932 the Court found that the District Clause endows Congress with "all the powers of legislation which may be exercise by a state in dealing with its affairs, so long as other provisions of the Constitution are not infringed."[2]

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[1] *Capital Traction Co. v. Hof.* 174 U.S. 1.5 (applying the Seventh Amendment right to trial to the District of Columbia).

Thus, Congress has a structural responsibility for education in the district, and this is a responsibility that must be executed in a constitutional way. In 1954, when the Supreme Court struck down racial segregation in public schools in the states as a violation of the Fourteenth Amendment, it also struck down racial segregation in public schools in the District of Columbia as a violation of the Fifth Amendment. This was *Bolling* v. *Sharpe*,[3] the unsung companion case to *Brown* v. *Board of Education*, which ended a century of Congressional segregation of public schools in DC and malign neglect of the black population.

Even after *Bolling* v. *Sharpe*, however, Congress oversaw a system of what federal District Court Judge J. Skelly Wright in 1967 called "racially and socially homogenous schools" that "damage the minds an spirits of all children who attend them" and "block the attainment of the broader goals of democratic education."[4] In *Hobson* v. *Hansen* that year, the court found that the Congressionally-appointed school board, which had a maximum quota of three black members of nine (later changed to four), had effectively segregated the schools by race and class and created "optional zones for the purpose of allowing white children, 'trapped' in a Negro school district to 'escape' to a 'white' or more nearly white school, thus making the economic and racial segregation of the public school children more complete than it would otherwise be under a strict neighborhood assignment plan."[5]

The *Hobson* court also found that teachers and principals were assigned according to their race and the race of their students, that a tracking system was used to divide students according to race and class and consigned many students to an inferior and demeaning education, and that reading scores fell increasingly behind the national norm in each grade.[6]

Thus, although Congress clearly has an ultimate constitutional responsibility for schooling in the district, it is one that it has not generally lived up to, except by court order. even now, we see that the Emergency School Board of Trustees, appointed by the Control Board, is an illegally created body. So now would be a good time to figure out how Congress can best fulfill its very real obligations to the District and its children.

On this question, I just have two quick points. First, unlike the citizens of the fifty states, residents of the District have no state constitution to fall back on in order to demand equality of resources and excellence of result in the educational process, something that has taken place in dozens of states. Thus, as you know, the Supreme Court's decision in *San Antonio* v. *Rodriguez*,[7] holding that education is not a fundamental right and that disparate funding of schools does not violate Equal Protection, is the barren and controlling constitutional framework for the District. This makes it all the more important that Congress try to take the rights of the people and the needs of the children seriously. As the Court put in *Brown* v. *Board*, "education is perhaps the most important function of state and local governments."

But, second, this is a delicate matter since education, as the Court observed in *Rodriguez*, is also a public function jealously guarded by local governments, one in our nation's history that has been traditionally the province of the local community itself, So, Congress must also act with maximum respect and deference for the wishes of the local population, the American citizens who live there. Thus, your presumption should be that matters of fundamental educational policy should be decided by the local school board and elected officials so long as they do not implicate an independent federal interest that would justify congressional action under the District Clause. On matters of proposed departures from existing educational policy, such as the school voucher proposal currently in play, Congress should allow the District to make up its own mind in the way that every other locality in America is getting to choose for itself. Nothing could be more averse to the spirit of federalism, democratic government and local control over education that to have members of Congress elected from other jurisdictions deciding such basic matters for the people of the district themselves.

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[2] *Atlantic Cleaners & Dyers* v. *U.S.* 427.435 (finding that Congress, like a state, has power under the District Clause to criminalize local conspiracies in restrain of trade in the District of Columbia).

[3] 347 U.S. 497(1954).

[4] *Hobson* v. *Hansen*, 269 F. Supp. 401 (1967).

[5] *Id.* at 406.

[6] *Id.*

[7] 411 U.S. 1(1973).

We must never forget that the District is part of America and its citizens have all the rights of other Americans. In 1933 in *O'Donoghue* v. *United States*,[8] Justice Sutherland recited explained why District residents may not be treated as second-class citizens:

- It is important to bear constantly in mind that the District was made up of portions of two of the original states of the Union, and was not taken out of the Union by cession. Prior thereto its inhabitants were entitled to all the rights, guaranties, and immunities of the Constitution, among which as the right to have their cases arising under the Constitution heard and determined by federal courts created under, and vested with the judicial power conferred by Article 3. We think it is not reasonable to assume that the cession stripped them of these rights, and that it was intended that at the very seat of the national government the people should be less fortified by the guaranty of an independent judiciary than in other parts of the union.

Justice Sutherland quoted the Court's opinion in *Downes* v. *Bidwell*[9] to the same effect, emphasizing that the District clause had not subtracted constitutional rights from people who already had them as citizens of states:

- This District had been a part of the states of Maryland and Virginia. It had been subject to the Constitution, and was a part of the United States. The Constitution had attached to it irrevocably. There are steps which can never be taken backward.—The mere cession of the District of Columbia to the Federal government relinquished the authority of the states, but it did not take it out of the United States or from under the aegis of the Constitution. Neither party had ever consented to that construction of the cession. If, before the District was set off, Congress had passed an unconstitutional act affecting its inhabitants, it would have been void. If done after the District was created, it would have been equally void: in other words. Congress had passed an unconstitutional act affecting its inhabitants, it would have been void. If done after the District was created, it would have been equally void: in other words, Congress could not do indirectly, by carving out the District, what it could not do directly. The District still remained a part of the United States, protected by the Constitution.[10]

Thus, in closing, I would say that you walk a tightrope here, the way that all states do when they get involved in the essentially local issue of education. On the one hand, you have a basic constitutional and indeed moral responsibility to see to it that excellent education for effective democratic citizenship made available to all children in the District regardless of race, ethnicity, language, income, social status, geography, and disability. Yon the other hand, as much as possible, you must respect the basic American principle of local control over education, democratic participation, and one person-one vote. These, I would see as your basic constitutional responsibilities.

PREPARED STATEMENT OF JULIUS W. BECTON, JR.

Mr. Chairman, thank you for allowing me to testify today to report on the state of the District of Columbia Public Schools and the reform efforts begun here a year ago. I would also like to take this opportunity to thank you for your continuing interest in and commitment to improving the District's public schools. We are deeply grateful for the tremendous support you have given us and we look forward to working with you in the future to create the model school system that Americans expect for their Capital city and that Washington, DC.'s children deserve.

To understand where we are and where we are going, it is important to understand where we have been. As you know, I became Chief Executive Officer of DCPS through an order of the DC Financial Responsibility and Management Assistance Authority on November 15, 1996. This order also established an Emergency Transitional Education Board of Trustees, of which I am a member, and transferred most of the powers of the elected Board of Education to the Trustees. The Authority took this action after concluding that "—in virtually every category and for every grade level, by virtually every measure of performance, the public school system has failed to provide a quality education for all children and a safe environment in which to learn."

Indeed, the school system was broken in fundamental ways: it lacked clear academic standards, employed uncertified teachers, did not pay its bills on time, and had crumbling facilities plagued by fire code violations. DCPS students performed well below national norms on standardized tests, DCPS schools experienced unacceptably high truancy and dropout rates, accountability was largely absent across the system. The public lost confidence in its schools, and an increasing number of families left the District or sent their children to private schools.

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[8] 289 U.S. 516.544 (finding that the local courts of the District of Columbia are Article III courts for constitutional purposes, unlike territorial courts which "are incapable of receiving [Article III judicial power]").

[9] 182 U.S. 244(1901).

[10] *O'Donaghue*, 289 U.S. at 541 (quoting *Downes*, 182 U.S. at 260–61).

In this context, it was clear to me that we had to focus our efforts on three core areas: (1) academic achievement, (2) school facilities, and (3) personnel and financial management. The success or failure of our reform effort will be judged on whether we achieve fundamental improvement in these three areas. The citizens of the District are right to demand substantial improvement in each of these areas, and I expect to be held accountable for achieving these goals.

I want to briefly discuss the progress we have made so far. I am proud that in just our first year we made substantial improvements in our personnel and financial management programs. We accurately counted our employees. We also have undertaken a major effort to purge, chronicle and file documents in official personnel files. Documents affecting pay, tenure and benefits were literally stacked in piles and personnel files were in total disarray when we arrived. This effort is critical to ensuring that we can pay employees at the appropriate rates based on their credentials and seniority. Unfortunately, the Financial Authority has thus far denied us an integral tool for this effort—an integrated personnel and payroll system that links the schools to central administration and captures DCPS-specific information.

We told all teachers they must provide evidence of valid certification before the end of this month or they will be separated from the system, and we are currently reviewing each of our schools for compliance with this mandate.

We balanced our budget in FY97 for the first time in 5 years and we revamped the FY98 budget process so that, for the first time, it was constructed around programs. Programs were given their own budget lines and program funds were assigned to one of 70 "responsibility centers." This way, we can hold program managers accountable for their spending. This may sound like common sense, but it is a major change from the previous practice of commingling funds across programs so that financial accountability was impossible.

We have focused resources at the school level, moving personnel dollars (which make up 80% of our budget) into the schools, where they are needed most. In FY98, nearly 90% of our employees are in schools, up from 85 % in FY97. *In addition*, we instituted a new system to provide school principals with direct access to 85% of their non-personnel dollars, so that they will not have to expend time and energy struggling with the District's complex and difficult-to-use procurement system to order basic school supplies.

We have continued working to streamline central administration procurements, to pay bills in a timely fashion, and to reduce the enormous *backlog* of unpaid bills we inherited from previous administration. In addition, we recently appointed a new director of grants administration, Dr. *Mitzi Beach*, who I believe you know from her days in Vermont. Historically, grants management at DCPS was an area where accountability was sorely lacking. Dr. Beach is working to ensure that grant-funded employees are assigned to appropriate programs, aligning grant objectives with our academic goals, and working with the U.S. Department of Education to create effective oversight of grant-funded programs.

In the area of facilities, we have made a great deal of progress. As you know, we inherited an infrastructure problem that the General Services Administration said it would *cost $2 billion* to fix. *The average DCPS* facility was over 50 years old and routine building maintenance had been neglected for years. Our facilities were literally crumbling—roofs leaked, boilers were inoperable, fire code violations were plentiful. We had millions of square feet in excess capacity and no long range facilities plan existed.

I am pleased to report that, in our first year, we also made substantial improvements in this area. We developed a Long Range Facilities Master Plan. We abated more that 1,600 fire code violations and replaced or repaired 66 roofs, using funds made available under your legislation privatizing the College Construction Loan Insurance Association, or "Connie Lee."

We also closed eleven schools and merged two middle schools. We have begun selling or leasing excess DCPS properties which in the past were allowed to stand empty for years while their value plummeted and they became eyesores and sometimes hazards to their neighbors. The proceeds from these disposals will be used for facility improvements in operating public schools.

General Williams, DCPS' Chief Operating Officer, is scheduled to testify later today, so I will let him provide you with more detail about his accomplishments to date and his plans for the future.

I do want to make one final comment on the facilities effort. It has not been easy: school closings are never popular, property disposal can be controversial, and the *Parents United lawsuit* forced us to make facility repairs under extremely difficult conditions. However, this administration was put in place to make difficult decisions, to do what is right for children, and to withstand pressure from both inside and outside the system *to preserve the status quo*. We made some mistakes, but I firmly believe that we made unprecedented progress in restabilizing DCPS' school infrastructure and that we *have a solid plan* in place for continued progress in the coming years. I will let General Williams talk more about that later.

Finally, I want to talk just briefly about academics, because I know that you have invited Arlene Ackerman, DCPS' Deputy Superintendent and Chief Academic Officer, to discuss this issue tomorrow. The *progress we have* made in this area has largely been in gathering accurate data about student performance and building the capacity to analyze that data. This is critical if we are to measure our academic problems accurately and combat them effectively.

Unfortunately, the data we gathered is extremely distressing. Last spring, we administered the Stanford 9 Achievement Test, a nationally-recognized standardized test, to *over 40,000 students*. We found that at the first grade level, our students are reading near the national norm. However, their scores drop sharply in the second grade. By third grade, 41 percent of students tested are reading "below basic"—meaning they have little or no mastery of fundamental knowledge or skills for that grade level—and by tenth grade, 53 percent of them are reading below basic. In math, 89 percent of tenth graders tested below basic.

These scores are unacceptably low by any standard. We simply will not tolerate this level of failure—failure of the system to help children reach goals we know they can reach—any longer. To raise the scores, we have developed a comprehensive academic plan, established clear academic standards, reduced principal tenure to one year and told our principals that we will base fifty percent of their annual evaluation on student achievement. We have required our lowest performing schools to implement research-based reform models and proposed a plan to reconstitute schools that do not improve by the end of this school year.

We have told students, parents, and teachers that we will implement promotion gates for second, third, and eighth grade students this year and we are putting safety net programs in schools now to assist those students in danger of nonpromotion. Much more is being done to address academic achievement, but I will leave it to Mrs. Ackerman, who is leading this effort, to provide you with the details tomorrow.

For me the bottom line is this: all children can learn, and the adults who ran this system, which lacked accountability, mismanaged funds, and allowed its school buildings to crumble over the years, are responsible, more than any one else, for the failure of our children to succeed. We will accept no more excuses from adults. We are putting children first, and we intend to achieve our goals and to create a system where our students can achieve theirs. Failure is not an option.

Mr. Chairman, thank you again for your support for our efforts. I am now prepared to answer any questions you may have.

PREPARED STATEMENT OF CHARLES WILLIAMS

Good morning, Mr. Chairman and members of the Committee. I am Charles Williams, Chief Operating Officer for the District of Columbia Public Schools. Thank you for providing me with the opportunity to update you on our recent efforts to address the major facilities issues we are facing and to describe our plans for the future.

As you know, this administration inherited a $2 billion infrastructure problem. The average DCPS facility is over 50 years old, and before the Emergency Transitional Education Board of Trustees was appointed routine maintenance had been neglected for years. We were truly facing an *emergency* situation with our facilities, and I want to say right up front that although we have made tremendous progress we are still treating the facilities stabilization effort as an emergency project.

In response to a congressional directive, one of our first actions was to develop a Long Range Facilities Master Plan. We released our first draft of the plan in February 1997. The plan is a "living document" and will be continuously modified as academic needs or priorities change, additional funds become available, or emergencies arise. Minor modifications were made to the plan in July; it will be subject to a comprehensive review, including public input, this month.

The plan serves as both an interstate road map to high quality, safe public school facilities and a schedule for capital projects and budget projections. The plan has three phases: stabilization, functionality, and modernization.

Stabilization: We knew that our first step must be to stabilize crumbling and unsafe facilities. This phase, which began in FY97 and will continue in FY98, covers roofs, boilers and chillers, generators, some window replacement, some environmental quality work and some ADA compliance. Stabilization is the most urgent phase of the plan, during which we are primarily addressing deficiencies in the building "envelope."

Functionality: Once we have stabilized the facilities, we must ensure that they are functional as environments for learning. This phase includes: complete systems upgrades, bathroom renovations, window replacements, new fencing where needed, and completion of the ADA compliance and environmental quality work in FY99–00.

Modernization: Beginning in FY00, we intend to move into the modernization phase of the plan. This phase will include construction of some new facilities, new additions to existing structures, major interior renovations, and a complete upgrade of the system's athletic facilities.

As part of the stabilization effort, I am pleased to report that we completed 61 full roof replacements and 5 major roof repairs in FY97. Mr. Chairman, this massive effort was made possible in large part by the funding you made available to us through your legislation privatizing "Connie Lee," and I want to publicly acknowledge and thank you for that. Those funds, and funds made available through your privatization of "Sallie Mae," have given us a tremendous boost as we continue work on our $2 billion infrastructure stabilization and improvement program.

In know you are aware that our roof replacement effort was substantially complicated by a lawsuit brought against the District of Columbia in 1993 by Parents United. This suit was initially brought to require the Fire Department to inspect school buildings and, ultimately, to increase DCPS' capital funding. Unfortunately, the suit resulted in the imposition of restrictions on capital work that were so strict we were left to make the difficult decision to delay the opening of schools to complete this major roof replacement effort or set aside the roof program and subject those children to another year of leaking roofs, fire code violations, and unpredictable school closings. We made the decision to complete the roof repairs and, although we were criticized by many people, I firmly believe that we did what was right for children by moving forward with the work. As you know, the suit was settled in November.

We also abated some 1600 fire code violations during FY97 (an achievement that sometimes goes overlooked), and we have developed a productive relationship with the Fire Department which allows for regular inspections of our schools and timely abatement of any new code violations in a way that won't disrupt the education of children.

We know that at least another 45 schools have roofs that have outlived their useful lives, and they are scheduled for replacement during FY98. Our FY98 plan also calls for repair or replacement of 44 boilers. We recognize the urgency of this effort and we are doing our best to ensure that all of our schools have functional heating capacity pending installation of new systems where needed. In addition, we have developed a new protocol for boiler replacement which will ensure the safety of children and staff during school operation.

Although we hope these efforts will not require student relocations, we have established three alternative placement sites in case students need to be moved out of their schools for short periods. These sites—Taft JH (which was closed last year), Douglass JH (also closed), and the University of the District of Columbia—provide us with over 3,800 classroom seats, equipped for 1200 elementary students and 2669 junior and senior high students. This swing space also will be used to house school populations while we completely renovate and modernize their facilities.

We have developed a process for working with school principals and others to ensure that capital projects are undertaken in a manner that is open, orderly, and causes as little disruption to education as possible. The centerpiece of this process is the "preconstruction conference." A preconstruction conference will be held before any major project is begun at any school. Participants in the conference will include the school principal, representation from the school LSRT and PTA, the DCPS project manager and other facilities staff, the relevant assistant superintendent, the contractor, and other interested parties from the community and the media. Our capital projects advisor, Mr. Don Brown, also will be invited to each of these conferences.

I would like to take a moment to talk about the availability of funds for capital improvements at DCPS. As you know, our long-range plan envisions over $200 million in capital work during FY98. In my view, this is the amount of work we should do to stay on track for completing the entire plan over 10 years. We currently have identified about $80 million that will be available for capital in FY98. We know that a higher level of funding is needed, and we intend to explore every possible avenue for acquiring those funds.

Again, allow me to express our deep gratitude to you for your tremendous efforts to provide support for our capital programs in past years. I am hopeful that we can continue to work together on this critically important effort.

PREPARED STATEMENT OF MICHAEL A. DANIELS

I am Mike Daniels, Sector Vice President of SAIC, and Chairman of the Northern Virginia Technology Council. NVTC, as we call the Council, is a membership group of almost 800 companies. You will recognize names such as EDS, DynCorp, BDM, Raytheon, TRW, Oracle, Hughes and America Online. But we also have fast-growing new companies with the names of the new economy—Proxicom, UUcom, Signal, Visitronix, Electric Press and superSonic BOOM.

TECHNOLOGY IS THE FUTURE

Together with other technology companies in Northern Virginia, NVTC represents an industry of 2,000 firms employing 175,000 people and paying annual wages of $8 billion. The growth of the technology sector in our area over the last five years has been extraordinary, but this is only the beginning. The Bureau of Business Research at William & Mary forecasts 256,000 new jobs will be created in Northern Virginia over the next ten years, an increase of 26 percent. Real wages will jump 59 percent.

The key long-run force at work, William & Mary suggests, is the accelerating diffusion of information technology and the future productivity gains to be realized from its effective use. The major obstacle to achieving this remarkable surge in economic development, the report concludes, is providing the workforce with the skills to fill these jobs.

NVTC has been at the forefront in, first, identifying this problem, then in working to solve it. Though each of our technology companies felt a shortage of skilled workers, for example, until NVTC measured the shortage in the aggregate, none knew there were 219,000 technology jobs going unfilled in Northern Virginia. Our survey of technology companies in May 1997 further documented that these unfilled jobs could pay an average salary of $47,000 each year. Almost $900 million in potential wages was lost in 1997 in Northern Virginia's technology companies alone.

More importantly, our survey identified technology company expectations to create 112,000 new technology jobs here in the next five years. By aggregating demand for skilled workers, NVTC for the first time understood the **need to transition 1,500 to 2,000 new workers a month into technology jobs—an average of 1,800 a month, each and every month for five years.** We knew existing education and training programs were not producing near that many.

HIGH COSTS OF WORKER SHORTAGES

We looked at the costs of this worker shortage if we did not respond in new, creative ways. Slower economic development and slower growth in the highest paying jobs were immediate costs. Next, companies could decide to locate elsewhere and the public sector could lose its major new source of revenues. Ultimately, we realized that Northern Virginia, and by extension, the Greater Washington region, could lose a once in a lifetime opportunity to build a world technology center right here, a world center of information technology, Internet, telecommunications and electronic commerce services.

Simultaneously, we learned from other surveys by the Information Technology Association of America and the U.S. Department of Commerce that there are national, even international shortages in skilled technology workers to fill these high wage technology jobs we are creating. We found recruitment from other areas couldn't hope to fill our needs. We were forced as an industry to understand that we—in Northern Virginia, in Virginia, in Suburban Maryland and in the District of Columbia—were going to have to grow our own skilled workforce if our industry, our businesses and our public bodies were to embrace technology fully and reap the benefits of improved service, profitability and competitiveness.

EXPLODING DEMAND, UNEVEN RESPONSES

There are two parts of this problem I would like to highlight here. First, there is the problem of exploding demand. The explosion of technology companies, products and services has stripped the labor cupboard bare. All the workers with tech-

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nology skills and experience already are employed somewhere. Governments and other businesses harnessing technology to improve services, profitability and competitiveness add to the demand. The half-life of skills, computer languages, applications and systems is short. As technology companies innovate, they create new demands for skill sets that, by definition, do not yet exist in large numbers.

The second part of the problem are the uneven responses from both the public and private sectors. As the federal government has realized, worker training programs have been fragmented and often focused on special populations or older industries instead of filling new jobs. They have not served as a big enough bridge to the technology economy. Technology companies, too, have been slow to adopt training and retraining as part of their core business. Public schools have been slow to respond with new technology, Internet access, teacher training and producing high school graduates who are technology literate. Money is part of, but not all, of the problem. Most disappointing, our colleges and universities have not increased the number of engineering, computer science and information science graduates the new knowledge economy demands.

In general, there has been a lag in the responses—public, private, institutional—to the explosive growth and to the now continuous changes in the skills, knowledge and experience our labor force needs to thrive in the knowledge economy we have created. The good news is that we are moving beyond the description of the problem into solutions.

SOLUTIONS ARE REGIONAL, MARKET-BASED, INDUSTRY-DRIVEN

NVTC has maintained a workforce task force to investigate solutions for over a year. We helped sponsor statewide summits of business and community leaders to produce a "Blueprint for Technology-Based Economic Growth." We have formed a regional partnership with the Suburban Maryland High Technology Council and the Greater Washington Board of Trade, in part, to address this problem. We have helped focus a multi-county effort in Northern Virginia on more coordinated approaches to technology workforce development.

These efforts have identified general characteristics that solutions to the technology worker shortage will share. Solutions will be regional in scope, as wide as real labor market areas without regard to political geography. Solutions will be market-based, so they are responsive to the continuous changes that mark an innovative industry. Solutions will be industry-driven, using skills needed to fill real job openings to drive educational and training responses. Solutions will use the higher wages, the emerging career opportunities and new workforce coordinating systems to "pull" new workers through technology education and training programs into specific jobs in the industry. We found we cannot just wait for existing programs to "push" new workers in.

STRATEGIES FOCUS ON TECHNOLOGY EDUCATION AND WORKER TRAINING

There are two primary strategies for public policy makers to consider. First, we need a technology educational infrastructure to prepare all Americans for technology in their careers. That infrastructure must support K through life education. That means more technology equipment and technology teacher training for public schools; high speed voice-video-data links to every school; increased workforce development focus for community colleges; new links between industry certified skills and diploma and degree programs; universal technology literacy for high school and university graduates; and more engineering, computer science and information science graduates.

Second, we need to remove barriers to worker training and stimulate workforce development. That means public and private partnerships to market technology jobs and careers and regional workforce development centers. These centers could provide career guidance, link potential technology employees with company jobs, coordinate technology training and certification and provide financial and career bridge assistance to get individuals and companies over the cost-of-training hurdles. I have included a representative chart of how a streamlined workforce development center effort could work to fill the short-term gaps an innovative industry will continue to create.

PUBLIC ROLE AS EXAMPLE, INVESTOR, CATALYST

In general, we suggest the President and the Congress can join with state and local governments and school systems to elevate technology and its use as a priority for public education. That means teacher training in technology; technology in all curriculums; computer literacy of all graduates; and buying down the cost of higher education in technology majors through grant and scholarship programs.

As public leaders, you can invest more in the technology infrastructure, the high quality of life knowledge workers demand and the links among our world-class universities and technology businesses that keep us on the cutting edge of innovation. Government can accelerate its own use of electronic commerce, contracting and information filings.

As policy-makers, you can be a catalyst to prompt a stronger market response from individuals and companies. That means create more innovative, better coordinated and less categorical training programs; expand public incentives for company investment in worker technology training and retraining; foster more business-education-training interchanges at every level; give states and regions and communities the power to consolidate, coordinate and innovate in bringing fragmented worker training programs together to serve one main goal—filling high wage jobs with highly skilled people.

Thank you for giving the members of the Northern Virginia Technology Council the opportunity to participate in your deliberations in the vital area. Smart, skilled workers are our greatest resource now and our most renewable resource in the future.

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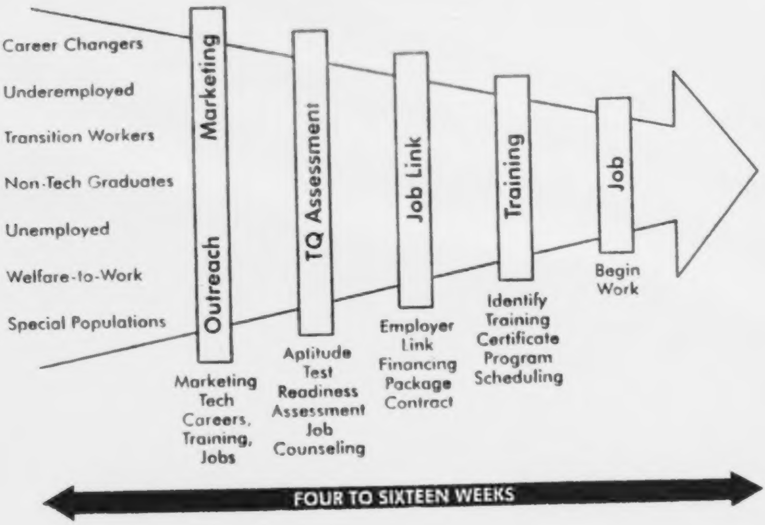
Technology Workforce Development Center


Career Changers
Underemployed
Transition Workers
Non-Tech Graduates
Unemployed
Welfare-to-Work
Special Populations
Outreach Marketing
TQ Assessment
Job Link
Training
Job
Marketing Tech Careers, Training, Jobs
Aptitude Test Readiness Assessment Job Counseling
Employer Link Financing Package Contract
Identify Training Certificate Program Scheduling
Begin Work
FOUR TO SIXTEEN WEEKS

PREPARED STATEMENT OF ANDREW HARTMAN

INTRODUCTION

Mr. Chairman and Members of the Committee. I am very pleased to have been asked to participate in this series of hearings on education and training in the Washington Metropolitan area. It is a special honor to be on a panel with General Becton, whose work and commitment to the citizens of the District of Columbia I admire and respect.

What General Becton has just described with regard to academic achievement among the children and youth of Washington, DC is a disaster. A disaster for the individuals, families, communities, and economy of the city. There is no stadium, no tax, no federal bail-out or economic enterprise zone that will overcome this liability.

If we are talking not just about planning for regional economic development, but about how to have *all* the citizens of DC participate in and benefit from such a plan, then we are going to have to deal with DC's knowledge and skills deficit. There is no way around it. In 1998 and beyond, it is what you know and what you are able to do that counts and pays off for individuals, communities, and our nation. Without significant education and training, almost half the residents of DC will almost certainly be left behind.

To accomplish this, DC must have a high quality system of education and training that provides opportunities for *lifelong* learning. The District of Columbia currently lacks such a system.

OVERVIEW OF REMARKS

In my testimony today, I would like to address three questions very briefly:

1. What do the recent test scores for DC children really mean? What is the long-term impact of children failing to learn in school?
2. How does DC compare to the nation in terms of indicators of educational progress and development?
3. What are the international benchmarks that DC children, and children across the country, are competing with?

My remarks will be based on three important perspectives:

- They will focus primarily on reading and literacy because we have the best comparative data there. But reading is the foundation skill, and the picture for other curricular areas, such as math, is not likely to be very different;
- They will treat literacy as a continuum of skills and abilities rather than something you have or do not have. In other words, it is not an issue of literacy vs. illiteracy, but of levels of literacy.
- They will reflect two important facts we know from research and practice—that human beings can develop their literacy skills across their life span, and that these same skills can be lost if they are not used.

KNOWLEDGE AND SKILLS IN THE DISTRICT OF COLUMBIA

The Stanford9 Results.

General Becton has described DC's spring 1997 test scores in his testimony. You don't need an expert to tell you that they describe a bad situation. But let me explain briefly how the different performance levels were created, so that you can get a feel for what they mean.

First of all, it is important to know that there is nothing inherent in the test items themselves that led to the creation of the three categories: basic, proficient, and advanced. The performance levels were created by the test publishers, Harcourt Brace, in order to super impose on the test scores some sense of community or national standards about what students at these different grade levels *should* know, as opposed to what they do know.

Basically, a group of over 200 teachers were brought together and asked to look at the items used on the tests and to use their own human judgment to set cut-off scores for the different performance levels based on criteria set out by the test developers. These criteria are:

ADVANCED: Signifies superior performance beyond grade-level mastery. At the high school levels, students achieving at this level show readiness for advanced academic courses, advanced technical courses, or career-oriented training.

PROFICIENT: Represents solid academic performance, indicating that students are prepared for the next grade. At the high school level, this reflects competency in a body of subject-matter knowledge and skills that prepares students for responsible adulthood and productive work.

BASIC: Denotes partial mastery of the knowledge and skills that are fundamental for satisfactory work. At the high school level, this is higher than minimum competency skills.

BELOW BASIC: Indicates less than partial mastery of the most elementary knowledge and skills.

HARCOURT BRACE EDUCATION MEASUREMENT, SPECIAL REPORT

As you can see, nothing about this methodology validates the levels with any kind of research or experience. For example, we don't know if students who score at the low end of the "proficient" level in fact do better in the next grade than those at the high end of the "basic" level, not to mention them being better prepared for adulthood.

In other words, while these types of performance levels (which are being used widely around the country) are useful in interpreting the raw data and communicating to the public the results of a test like the Stanford9, you should also be careful not to take them too literally or to place too much weight on the specifics of their labels.

Where do these low-performing students go?

One thing we know about early school failure is that it leads to an increased probability of that student dropping out of school. Every year, almost 11 percent of the high school students enrolled in the DC Public Schools—more than twice the national average—leave school before receiving a diploma. This means that thousands of the poorest performing students are not even in the student population being tested, which makes the Stanford9 scores for the high school grades an *over*estimation for the total DC school-age population.

In addition, it means that thousands of young people are leaving school each year before they have a high school diploma. Today, 25,000 DC residents between the ages of 18 and 24 do not have a high school diploma. Twenty-six percent, or 130,000, of DC residents over the age of 25 have less than a high school education. Half of this number have not gone beyond eighth grade. This is a tragedy and a huge drag on the social and economic life of the city and region. We need to keep in mind what we are learning from a variety of sources—that in order to get a job with decent wages and benefits in today's economy, it takes some education and training *beyond* the high school level.

Adult Literacy in the District of Columbia

Not surprisingly, given the data just presented, DC has one of the lowest adult literacy rates in the nation. In a recent analysis of literacy skills in the adult population, funded by the U.S. Department of Education, it was estimated that 37 percent of DCs adult population scored in the lowest literacy level (level 1 on a five point scale). Speaking very roughly, this would be similar to "below basic," as described above. To make matters worse, the adult education and literacy "system" in DC is in a shambles.

These statistics on adults are important beyond the implications for economic development in the city and the region. These adults are, in many cases, the *parents* of the children taking the Stanford9. One of the better known and understood factors that predict a childs academic success is the knowledge and skills of their parents or caretakers, and the way better-educated and more knowledgeable parents interact with their children. DC does not have just a literacy problem, but an intergenerational literacy problem.

A NATIONAL PERSPECTIVE

Another way to think about and analyze the DC test scores is to look at them in a national context. We are fortunate in this regard, because the people who created the Stanford9 at Harcourt Brace aligned the content they assessed with the content framework of the National Assessment of Educational Progress (NAEP). In addition, the procedures used to set performance levels for the Stanford9 were, not coincidentally, quite similar to the procedures used to set the performance levels for the NAEP. So, with some caution because empirical comparisons between the two sets of standard have not been made, we can make some rough comparisons across these data sets:

[In Percent]

	NAEP Reading		DCPS Reading	
	4th	8th	4th	8th
Below Basic	40	30	45	34
Basic	30	40	36	46
Proficient	23	27	14	18
Advanced	7	3	5	3

As you can see, while the distributions are similar, more students in the DC group scored at the two lowest levels than in the national sample (at 4th grade, 70 percent vs. 81 percent). Again, these scales are not exactly the same, so these comparisons should be viewed as only suggestive. While even a more difficult comparison to make, it is interesting to note that on the NAEP, 25 percent of 12th graders scored below the basic level compared to 53 percent of 11th graders in DCPS.

WHY ARE SO MANY STUDENTS DOING SO POORLY?

There are three major reasons:

1. **Literacy practices in the home.** The differences in literacy skills between poor and more affluent students are largely present when they enter school (see Attachment 1). Schools don't cause the problem but they don't fix it either.
2. **The quality of teaching in the schools.** In the case of reading, researchers have learned a great deal over the past 10 years about what makes for high quality reading instruction, especially for those children (about 17 percent) with reading disabilities. These same researchers have found that few teachers have been trained to use these "best practices."
3. **Learning opportunities outside of school.** To become an excellent reader takes a great deal of practice. To be motivated to learn, it helps to have an adult who cares and shows an interest, whether a parent, family member, or reading partner, as in *Everybody Wins*. After leaving school, if you do not use literacy skills, you will lose them.

HOW DO THE LITERACY SKILLS OF ADULTS IN DC COMPARE TO THEIR PEERS ACROSS THE COUNTRY?

Nationally, as in the case of the comparison of the Stanford9 to the NAEP, DC adults do not fare well when compared to other adults across the nation. About 22 percent of adults nationwide scored at the lowest literacy level on the National Adult Literacy Survey (NALS). In DC, an estimated 37 percent of the adult population scored at the lowest literacy level. Attachment 2 provides comparable percentages of adults scoring at the lowest literacy level from all fifty states.

The adult literacy situation in DC is troubling from both a social and an economic point of view:

- Forty-three percent of adults at level 1 were living in poverty.
- Adults at level 1 earned a median income of $240 a week, compared to $681 for those at level 5 (the highest level).
- Adults at level 1 worked an average of 19 weeks per year, compared to 44 weeks per year for those in level 5.
- Seven out of ten prisoners performed in the lowest two literacy levels.

These are not the kind of data that will entice businesses to relocate in DC, or to seek out individuals with poor literacy skills for employment.

LITERACY IN AN INTERNATIONAL PERSPECTIVE.

We also have a detailed picture of how American children, youth, and adults compare to their counterparts around the world.

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Children and Youth

It may perhaps be surprising to learn, after having reviewed all these data, that American students do quite well when compared to their peers in other industrialized nations. In fact, at both the fourth and ninth grade levels, U.S. students were second only to students from Finland (see Attachment 3). While the U.S. was one of a group of countries bunched together after Finland, when measurement error is considered, we were statistically lower only than Finland.

It is important to note that, while the American *average* was quite high, the range of scores was very broad, and segments of the student population (including children from low-income families and children whose parents had low educational levels) scored low on this assessment.

Adults

Last month, the Organization for Economic and Co-operative Development (OECD) released a very important report that compares and analyzes the literacy skills of the adult populations in twelve industrialized countries. The report, *Literacy Skills for the Knowledge Society*, places the state of literacy in this country in an international setting and provides some important insights into the nature and impact of literacy skills on individuals and nations.

For example, you can see from Attachment 4 that, relative to many of the other countries, the United States has a large percentage of its population in both the lowest literacy level (level 1) and the two highest levels (levels 4 and 5). These data are troubling when viewed from the perspective of the recent U.S. census report on income. The census report found that, while personal income increased overall during the past year, income for the poorest 20 percent of the American population has steadily declined in real terms. Most analysts have explained this by pointing to the low skill levels of this segment of the population.

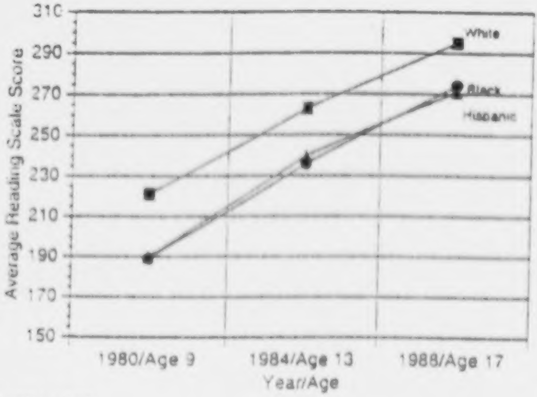
Attachment 5 provides another way of seeing the impact of dropping out of school, and also indicates that the literacy skills of drop-outs in the United States are much lower than those of noncompleters in other countries.

CONCLUSIONS

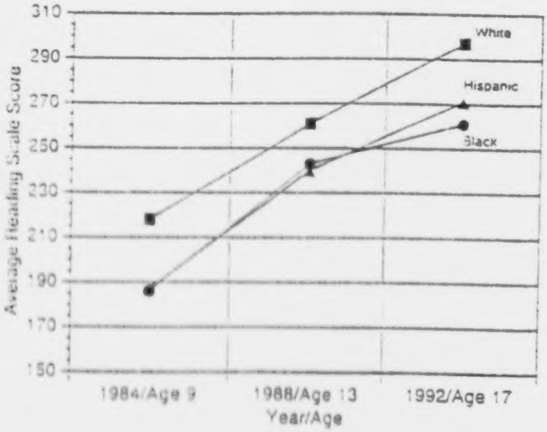
1. The literacy skills of children, adolescents, and adults in DC are very low. Because of the impact of the home and community on literacy and learning, there is an *intergenerational* cycle of low literacy and poor school performance.
2. Given the current skill levels of the youth and adult populations in DC, they are unlikely to participate in or benefit from any regional economic development.
3. Changing this situation will be a massive undertaking. It will take more than improving the elementary and secondary schools, which is a big job in and of itself. There would need to be created, almost from scratch, a youth and adult training and education system that provides the kinds of high quality services that research has indicated make a real difference in people lives. These services are intensive and expensive, and must be well designed and managed. DC lacks such a system at this time. It would make sense to tap into the resources of Northern Virginia and Maryland for some for some of the necessary infrastructure.
4. Low literacy is not just a problem for DC. It is also an issue that must be addressed by many other urban and rural areas. Workers with higher levels of literacy skills are more productive. Businesses are looking for locations with a lot of skilled people, and they are screening applicants to find those with the highest levels of literacy and related skills.
5. There is no national policy or plan for how to deal with the millions of Americans who fall into the group with the lowest literacy skills and, thus, are falling behind.

Average Reading Scale Scores by Race/Ethnicity for Different
Cohorts of Students, 1980-1988 and 1984-1992
NAEP Reading Surveys

a) 1980-1988



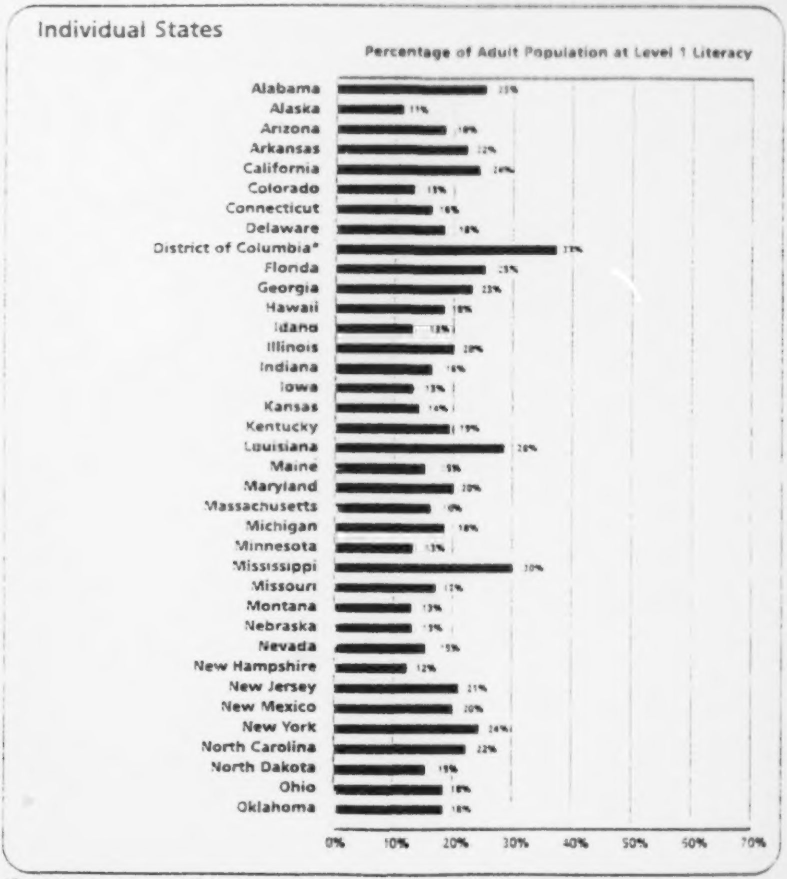
b) 1984-1992



Source: J. R. Campbell et al. (1996). *NAEP 1994 Trends in Academic Progress.* U.S. Department of Education, National Center for Education Statistics. Washington, DC: U.S. Government Printing Office, p. 111.

ATTACHMENT 2

The State of Literacy in America



Individual States

Percentage of Adult Population at Level 1 Literacy

* This particular synthetic estimate has a 95% confidence interval larger than + or - 5 points, and should be used with corresponding caution.

Refer to the Frequently Asked Questions (FAQs), and to Appendix 1: the Technical Report, for additional information about these estimates. Information about the confidence interval/standard error associated with each estimate and other levels of literacy is available in a searchable database on the NIFL home page (http://www.nifl.gov).

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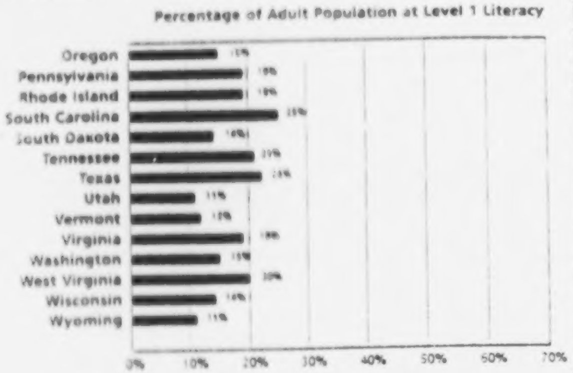
Individual States (cont.)



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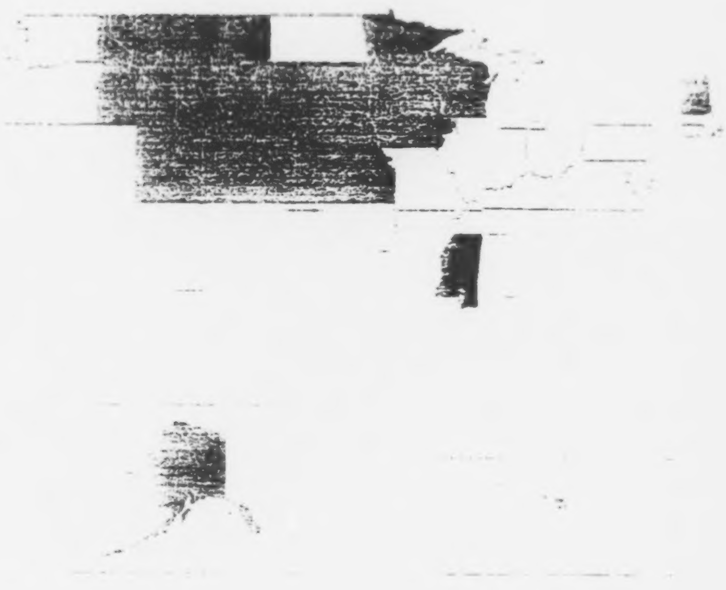
The State of Literacy in America
Level 1 Literacy Rates by State



Percentage of adult population with Level 1 Literacy skills
20% or greater
[illegible]
[illegible]
[illegible]
[illegible] or less
no estimate available

Source: U.S. Department of Education
Division of Adult Education and Literacy
Refer to the Frequently Asked Questions (FAQs) and to Appendix [illegible] the Technical Report for additional information about these estimates. Information about the confidence intervals/standard error associated with each estimate and other levels of literacy is available in a searchable database on the NIFL home page
http://www.nifl.gov

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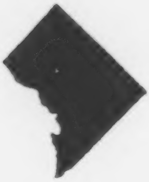


District of Columbia*

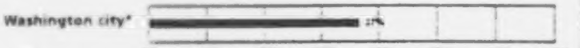
37% of adult population is at Level 1 Literacy

Congressional District

Percentage of Adult Population at Level 1 Literacy

Municipalities (with adult populations of at least 5,000)

Percentage of Adult Population at Level 1 Literacy



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The State of Literacy in America: Washington D.C.

Level 1 Adult Literacy Rates, by Congressional District

Source: U.S. Department of Education
Division of Adult Education and Literacy
[illegible]

Percentage of adult population with Level 1 Literacy skills

■	30% or greater	(1)
	20% to 30%	(0)
	15% to 20%	(0)
	10% to 15%	(0)
	10% or less	(0)
	no estimate available	(0)

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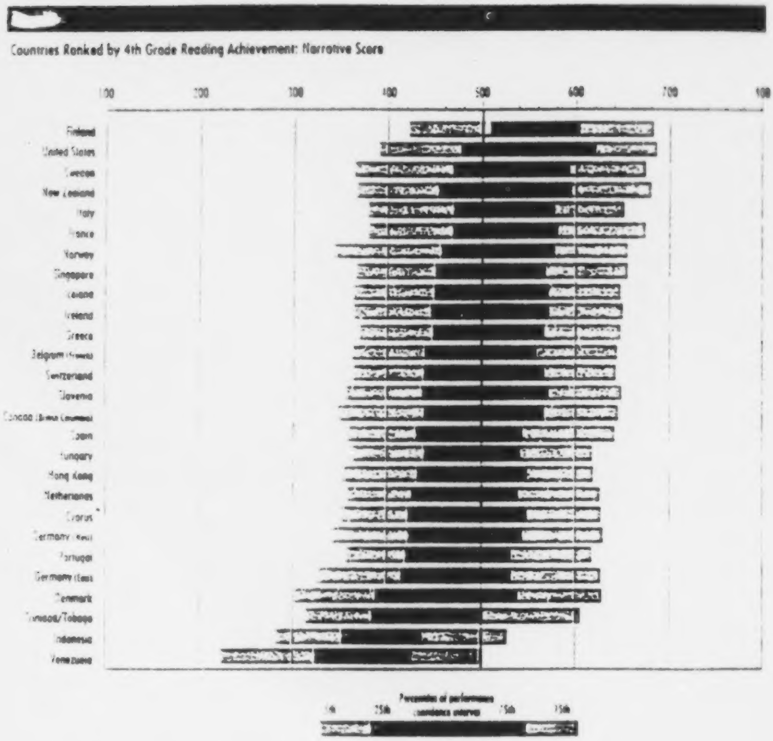
To make these differences clear, we reproduce six figures from *How in the World do Students Read?* to show how national rankings differ across the three reading domains. **Figures** 1, 2, and 3

Countries Ranked by 4th Grade Reading Achievement: Narrative Score



NOTE: The center black box indicates a confidence interval around the average reading proficiency for a country; 5th, 25th, 75th, and 95th percentiles are indicated by shaded bars.

SOURCE: Elley, Warwick B., *How in the World Do Students Read?* The Hague: International Association for the Evaluation of Educational Achievement, 1992.

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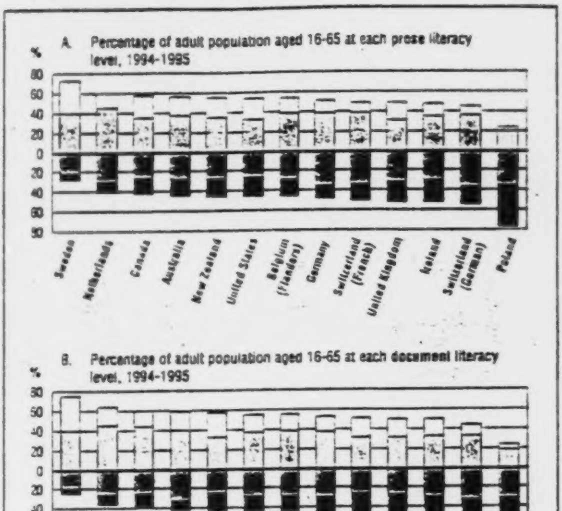
All countries have some proportion of their adult population at each literacy level on the prose, document and quantitative scales, but there are substantial differences between countries in the proportions at a given level. For example, while the Netherlands has a large proportion of its population at prose skill levels 3 and 4/5, the proportion at the highest level is considerably smaller than the proportion at this level in Sweden.

The figure shows the estimated proportion of the adult population at each of the prose, document and quantitative literacy levels for each country. Proportions at levels 1 and 2 are represented by the bar segments below the reference line and the proportions at levels 3 and 4/5 by the bar segments above the line.

Comparative distribution of literacy levels



A. Percentage of adult population aged 16-65 at each prose literacy level, 1994-1995

B. Percentage of adult population aged 16-65 at each document literacy level, 1994-1995

C. Percentage of adult population aged 16-65 at each quantitative literacy level, 1994-1995

Countries are ranked by the proportion in levels 3 and 4/5.

Source: International Adult Literacy Survey, 1994-1995.

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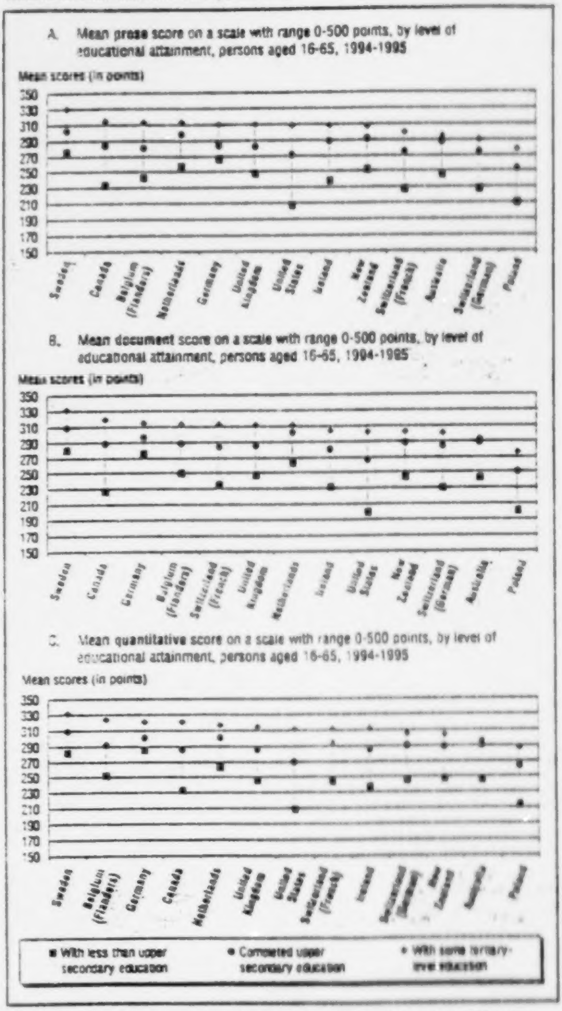
Individuals who have not completed secondary school score lower, on average, than those who have completed secondary school. Those who have only graduated from secondary school have, in turn, lower average scores than those who completed some tertiary education. In most countries, the difference between those without and with secondary graduation is greater than the difference between the latter and those with some tertiary education.

This figure shows the mean literacy score of persons at three different levels of educational attainment: less than upper secondary education; secondary school graduation; and completion of some form of tertiary education.

Educational attainment and literacy proficiency



A. Mean prose score on a scale with range 0-500 points, by level of educational attainment, persons aged 16-65, 1994-1995

B. Mean document score on a scale with range 0-500 points, by level of educational attainment, persons aged 16-65, 1994-1995

C. Mean quantitative score on a scale with range 0-500 points, by level of educational attainment, persons aged 16-65, 1994-1995

Countries are ranked by the mean prose literacy score of those with some tertiary education.
Source: International Adult Literacy Survey, 1994-1995.

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PREPARED STATEMENT OF CAROL O'CLEIREACAIN, PH.D.

This invited statement briefly discusses the role of the revenue structure in establishing on-going. long term, fiscal balance in the District of Columbia. The facts and conclusions presented here are the result of my work as a Visiting Fellow at the Brookings Institution,where I directed the DC Revenue Project and authored, The Orphaned Capital: Adopting the Right Revenues for the District of Columbia.

I. BACKGROUND

To an outsider, this is a short story of a profoundly dysfunctional place. Unfortunately, the place is the capital of the United States of America, the lone superpower on earth. As such, it is a story of interest to all Americans, no matter where they call home. Our nation's capital is in a fiscal, political & management crisis. By 1995, the fiscal dimension was overwhelming. The District of Columbia was effectively shut out of the capital markets, did not have the cash to pay its bills, faced a growing operating deficit, and had at least three agencies in receivership. In April 1995, the US Congress, beginning to come to grips with the situation, placed the fiscal control of the nation's capital in the hands of a presidentially appointed control board, officially named the "DC Financial Responsibility & Management Assistance Authority."

Governance: America's capital is a unique entity. Purposefully, it is neither a state nor a city within one. Recognizing there is always a conflict of interests between the national government and the people who live in the capital city and that locating the national capital would give an enormous advantage to whichever state won the prize, the framers of the constitution established the capital as a "district," and, in Article I, Section 8, Clause 17, retained for Congress the authority "to exercise exclusive legislation in all cases whatsoever, over such district."

The District was created in 1791, from the cession of land from Maryland & Virginia, and has served as the capital since 1800. The political implications of its unique status are obvious. Congress has defined the district's look, setting (and later shrinking) its boundaries and stipulating its appearance, even to the point of limiting the height of its buildings. Citizens residing in the District *now* have the right to vote for the President and Vice President of the United States and for a nonvoting delegate to the House of Representatives. Congress has not, however, granted political representation in the House and Senate. In a nation based on dual sovereignty—the states and the federal government they formed—the District is not a sovereign entity; its residents are not residents of any sovereign state.

The fiscal implications of this unique status are less well understood. A financial relationship between the nation and its capital city has never been laid out directly. Until the 1870s, there was no formal flow of funds or fiscal relationship between the two governments. Periodically—in the 1870s, 1920s and 1930s, for example Congress studied fiscal and governance issues, but never moved beyond simple budget payments. In the mid 1970s, after mounting political pressure, Congress granted "home rule" to the District.

The legacy of home rule: Looking back now, District residents, political leaders, scholars and the federal government recognize that home rule was not a great financial deal for the District. First, federal accounting passed two significant burdens on to the District: unfunded accrued pension liabilities (for employees who were transferred) worth about $2 billion then (now $5 billion); and a deficit of $279 million. Second, the spending responsibilities were a collection of those typically provided by state governments as well as local governments, with the federal share for medicaid and welfare being at the national minimum (50%) for states. Third, Congress restricted the reach of the District's tax collector to residents, barring the taxation of earnings by commuters (two-thirds of the work force); the income of the many law, accounting, and lobbying partnerships; and 41% of the property value.

The budget and revenues: During the 1980s, District government expanded services and taxes as it operated under home rule. When recession hit in 1990, about 600,000 residents were carrying a District budget that approached $5 billion. Without benefit of a state government, District spending included a seven institution prison system; a public school system of 78,000 students; medicaid and welfare; and, a full range of local government services, including police and fire protection, sanitation, street lighting, etc. In addition, the District has been operating a public hospital and a university, which have required budget subsidies. To do this, the District taxed itself heavily. About three-quarters of its discretionary revenues ($2.4 billion) came from **19 different taxes;** about one-fifth ($660 million) from a payment from the federal government; and 5% ($197 million) from 118 fees, fines, and miscellaneous charges.

The economic & demographic context: The District is a small, open economy, functioning as a central city to a tri-state regional economy of 2.5 million jobs. About one quarter (635,000) of those jobs are in the District. While the home-town industry is government (40% of the jobs, versus 17% nationally), jobs are shifting to the private sector and the suburbs, with the District suffering as a result. Since home rule, the District has gone from being the home of one-third of the region's private jobs to less than one-quarter.

The District is also losing residents. In the first five years of the 1990s, alone, the District lost more inhabitants (50,000) than in the entire decade of the 1980s (31,000). The loss of middle class families has had a particular impact, both on neighborhood stability and tax revenue. The District, while 15% of the region's population, now houses 44% of the region's poor. Its population loss has been matched by a rise in the share of the region's population living in the suburbs. Of comparable metro areas, only Atlanta has a greater concentration of population living outside the core city. The lopsided commuting pattern produces an estimated $20 billion gap between wages earned by suburban commuters into the District and wages earned by District residents who commute out to work.

As my work and that of others demonstrates, for residents, the District's overall tax burdens the highest at the $100,000 income level. For businesses, the District tax bill is at least 25% greater than elsewhere in the region. District residents and businesses are increasingly fleeing the combination of high tax burdens and poor services. It is not hard to understand. The bridges are free, there is a regional transportation system, and one can locate outside the borders of the District and still be within ten minutes from the center or Capitol Hill.

II. THE EMERGENCY

All of these factors, as well as a poorly run government, led to mounting public deficits by 1991. The District government responded by: (1) seeking, and receiving, increased federal help; (2) resorting to budget gimmickry; and (3) attempting to raise some taxes and fees, which proved marginal, since the District already had the highest *per capita* tax burden in the region.

So, in 1995, the President and Congress were forced to act. They took control and began what is now a multi-phase solution for the nation's capital. Phase one consisted of restoring financial integrity. The control board and a new chief financial officer have balanced the budget, gained limited access to the credit markets, paid off the bulk of the outstanding bills, instituted a plan to pay down the accumulated $½ billion dollar deficit, and begun the implementation of sound accounting and fiscal management systems. There is still much to do, but there is, at least, an agreed plan and direction under way.

The second phase began in 1997. The President proposed that the federal government take responsibility for two of the three fiscal legacies of the 1970s' home rule: the accrued pension liability; and some state-type services, including prisons, courts and, partially (through an increase in the federal share), medicaid. In doing so, he noted that one of the major problems of the nation's capital is that it is a "not quite place—not quite a state, but—not quite a city—[I]t has been loaded up with responsibilities that normally are only borne by states—[T]his is wrong—."

The Congress, in addition to ratifying the President's fiscal approach, placed management reform at the center of phase two by (1) transferring executive power over nine agencies of the District government from the mayor to the control board; and (2) mandating the board to hire outside consultants to conduct base-line assessments of the operations of those agencies, suggest solutions, and chart a path for improved management. By the end of 1997, the consultants had all reported to the control board and, with the hiring of a chief management officer, the control board embarked on an extensive program of improving both the management of the District's government and the services provided by its agencies.

My work presented the case that, for long run fiscal survival, the nation's capital city needs the fiscal transfers and resources of a state, and that the federal government play that role. Therefore, it has been extremely reassuring to see the President, the control board and some in the Congress embrace the concept of the federal government taking on the role of the missing state. However, the recognition of the District's special fiscal burdens have been confined to the expenditure side of the budget. The District's constrained revenue base, which represents the third legacy of home rule, has not been addressed. Rather, the revenue constraints have been tightened, as a result of the elimination of the $660 million annual federal payment, which was the price for the rest of the package.

These two phases represent a good start on the road to long-term fiscal discipline. They are necessary, but not sufficient, steps.

III. LONG TERM STRUCTURAL BALANCE

Last year's federal actions shifted almost half a billion dollars of permanent spending out of the District's budget, which was off-set by an almost identical loss of net revenues from the federal government (the difference between the loss of the $660 million federal payment and a one-time payment of $190 million). The federal pick-up of outstanding pension liabilities is expected to generate a small surplus in the current year, which can be applied to the accumulated deficit. So, from a budget perspective, these actions provide the District with a couple of years in which to address the longer-term structural issue.

The District's four year financial plan clearly demonstrates a lack of long-term structural balance. Even with the President's Plan and the additional Congressional help of last year, baseline spending is projected to grow faster than baseline revenues, turning the temporary surplus into a creeping deficit in the out-years of the plan. Part of that structural imbalance *can* be addressed through management reform, which should bring the District's spending *per capita* in line with costs in other cities over the long-term (although not necessarily in the short-run). However, management reform and government efficiencies will not fund all the pent-up demands which are competing for budget dollars: a backlog of infrastructure repairs, replacement and improvements; debt service; modernization (technology and training); a pay increase for a smaller and better-trained work force; service enhancements; and, *reducing the tax overload* on the remaining, yet dwindling, District tax base.

In short, to establish the long-run fiscal health of the District requires another step: fixing the dysfunctional revenue structure, which is the direct result of being the nation's capital.

Let me explain why.

- As an economy, the District functions like a *small city*, open to flows of people and commerce from a much larger metropolitan region.
- As a political entity, the nation's capital is unique. It is unlike any other city in America, since it is without a state. It is also unlike a state, lacking the constitutional standing and sovereignty.
- The combination of this economic and political has resulted in a *revenue structure* that has none of the advantages of either an American city or state.
- Unlike any state, the District cannot determine whom and what it taxes. Fully 41 percent of the property in the District, most of it belonging to the federal government, is exempt from property taxes by decree of Congress. On work days the labor force of the District doubles, but Congress does not allow the District to tax these commuters' earnings. This prohibition costs about $1 billion a year in lost revenue. Nor is the District allowed to tax nonresidents' income from professional partnerships—the legal, accounting, management, and political consulting firms—that cluster in the nation's capital.

Unlike any city, the District receives no state aid. In the rest of America, states redistribute tax revenues to cities. State aid, which can be used for any purpose, accounts for 28–38 percent of general revenues for Boston, Memphis, and Baltimore, cities similar in population and area to the District. (In addition there is a range of categorical aid, for specific types of services, especially education, which states provide to those localities providing the service.) In the 1990s, the District received a unique federal payment of $660 million, which was large enough to cover the lost revenue from exempt property, but not large enough to make up for the lack of state aid and the need to provide state-type services as well. For example, at 19 percent of District revenues, the federal payment represents only half the share of help that Maryland provides Baltimore through state aid.

By now, we see clearly the results, which I enumerated in my Brookings study, The Orphaned Capital. The District has enacted a large number of taxes which impose a heavy burden on the taxable parts of the District's economy: 19 different taxes and 115 fees, fines and charges, which mean at least a 25% higher cost of doing business in the District. Its tax administration and enforcement ability has been stretched beyond the limits of efficiency and fairness. Increasingly, businesses and residents are fleeing, straining the revenues more.

For example, the District's population fell by more than 50,000 residents in the first half of this decade, alone. The population exodus has meant that even as real per capita personal income rose during this period, real income tax revenues fell. The loss of married couples, the highest income tax filers (often dual earners), has outpaced that of single filers by 22 percent to 2 percent, resulting in income tax revenues which are increasingly unresponsive to economic growth (inelastic) as well as a less progressive tax structure. This situation is not sustainable.

Creating a sustainable revenue structure for the nation's capital requires the national government acting, on the revenue side of the budget, as if it were a state to this city. As my work demonstrated, for the District's revenue structure to resemble more closely that of a typical American city of its size, and, like those cities, be competitive with the tax burdens in the surrounding regional economy, the District must eliminate a number of taxes and cut others. A sustainable revenue structure also requires a formula-based federal contribution to the District's revenues.

I have proposed that the federal contribution consist of three distinct elements:

- A payment-in-lieu-of-taxes (PILOT), to make up for the concentration of property which is tax-exempt;
- A form of "state aid" comparable to the 28-38 percent of general revenues which cities of comparable size (such as Boston, Memphis and Baltimore) receive; and
- A payment to cover the remaining cost of state-type services. [The 1997 federal actions have partially addressed this, through the direct provision of state-type services.]

Today, the District is farther from a sustainable revenue structure than when I arrived two years ago to do my study. The irony is that the federal government, in taking a step forward on the spending side, by picking-up some significant state-type spending, took a giant step back, by eliminating the federal payment **Now.**

- The revenue structure of the District contains no general revenue aid from any other level of government; and
- The burden of District spending and service provision falls solely on District residents and businesses.

This is not like any other city in America. One doubts why residents and businesses will stay for this unique honor. Especially when, for the price of a metro ride, they can use the District tax-free.

The Congress has chosen to focus on service improvements and spending relief in an effort to restore the fiscal health of the District of Columbia. It falls to me, in closing, to remind you that is not enough and another step is needed. Without a sustainable revenue structure, our nation's capital will remain an orphan.

PREPARED STATEMENT OF PHILIP M. DEARBORN

Good morning, Chairman Jeffords and members of the Committee. I am pleased to appear at your request to present testimony on why the District of Columbia is in such a precarious situation in its ability to secure bonding for projects such as school infrastructure repair.

A minimum of $1.2 billion and up to $2 billion over the next ten years is urgently needed to rehabilitate and build District of Columbia school facilities. This need must be met even though the District is optimistically hoping to be able to issue only $150 million of general obligation bonds annually for *all* types of capital projects. Bonds to fund the deficit, if issued, will be in addition to this financing. Fortunately, the District should soon achieve an investment grade debt rating and be able to issue bonds with competitive interest rates.

Nevertheless, there will still be two hurdles that must be overcome to obtain additional bonding for capital needs.

First, the District will have trouble staying within its Charter debt limit of 14 percent of revenues annually for debt service. At September 30, 1996, debt service was 11.1 percent of revenues, an increase of .5 percentage point over 1995. Projections have been made that the limit will be reached within a few years. The date will depend on both the volume of new bonds issued and the growth of revenues, but it is apparent that any substantial new funding, without a major increase in revenues, will create a debt limit problem.

Second, the District will be pledging about 75 percent of its property tax revenues in 1998 for debt service on general obligation bonds. Some estimates suggest that the District will reach a practical limit on its ability to pledge property taxes before it even reaches its Charter debt limit. This means that, even if the Congress should raise the 14 percent limit, the District would need to find a new revenue source for debt service or increase property tax rates. Because the District property tax rate is about double the suburban rates on commercial property, an increase could be counterproductive in terms of revenues for any substantial amount of new financing.

While the limited availability of capital financing will affect a variety of needed improvements in District infrastructure, it is certain to be a major crisis for a school system with needs measured in billions.

The Preliminary Facilities Master Plan 2005, issued by the Superintendent's Task Force on Education Infrastructure for the 21st Century, concluded that "a comprehensive strategy affecting both the financing and the management of school modernization will be required to implement a major modernization program and reverse the deterioration of the District's public schools." There are three important elements that must be taken into account in the design of any plan for the financing and modernization of school facilities.

First, the D.C. public school system currently operates over 150 school buildings for a student enrollment of about 77,000. In addition, the system has 14 administrative buildings plus 9 buildings that are either vacant or leased to other organizations. The Superintendent's Task Force estimated that a total of 17.8 million square feet of interior space is under school system control. Costs for maintaining and operating this space exceeded $78 million in 1995.

A variety of studies have concluded that the school physical plant is sized for a far larger system than is currently being operated and must be substantially reduced.

Second, 62 percent of the school buildings are over 45 years old, and 88 percent are at east 25 years old. Many of the facilities are functionally and operationally obsolete, and in many instances their reconfiguration and rehabilitation may not be cost effective.

Third, changes in the operation of schools are likely to result from the decentralization implicit in school-based management. In addition, implementation of charter schools may make it necessary to re-think how and where schools are located. Specialty schools, magnet schools, and other programs that draw students from all over the city should be located with good mass transit accessibility.

A key element of any plan should be that it is comprehensive and aimed at rehabilitating or providing new facilities to replace a significant percentage of existing school facilities. It should also include a timetable for phasing and completion of the required work and a plan for financing start-up and implementation costs.

Preparing and implementing such a plan will require a team of experts including architects, real estate experts, lawyers, investment bankers, planners, and government finance specialists, working together with the school administration. Because the team will need substantial time to determine the best approach to financing and operating school facilities, it is imperative that the planning be started as soon as possible. While such efforts may be underway by the new school administration, I am not personally familiar with them.

I was involved in some exploratory work on the subject of school facility planning and financing in 1996. At that time we explored three options for financing school facility needs.

I will describe each option very briefly.

Building Authority

The most conventional option would be the creation of a financing and construction authority to provide funding for school facilities separate from the District's general obligation bonding. Such an authority could be created by legislation of City Council and Congress.

The authority would be independent of the city government, although its members would probably be appointed by District officials, and it would have authority to issue tax-exempt bonds. Under this or any financing option, it should be assumed that proceeds from the sale of unneeded school facilities will be used to reduce the overall financing requirements. The security for the authority bonds would typically be provided by a stable and secure tax revenue source completely under the control of the authority. Such a revenue source of adequate size to meet the requirements would have to be identified.

Alternatively, a building authority could be created with funding provided by direct loans from the federal government or by lease payments from the school system guaranteed or otherwise assured by the federal government. Depending on the extent to which the debt would be secured by the federal government, the interest would probably be at taxable rates under current federal income tax provisions. Since either approach would require the federal government to make a financial commitment to the city, legislative approval would be more difficult than for a conventional authority secured only by a revenue stream.

The advantages of a building authority are its simplicity and its use in several other cities. It could be put in place quickly and would have few political implications. The disadvantages would be the problem of finding an acceptable revenue source or convincing the federal government to provide or assure financial support. This alternative would also separate responsibility for capital spending from responsibility for maintenance and operation of facilities.

Building and Operating Authority

This option would give the authority responsibility not only for financing and building school facilities, but also for operating the facilities. Operation would include providing utilities, cleaning buildings and grounds, maintaining the facilities, and providing other building services. This responsibility would not impinge on the conduct of educational programs. The financing of the authority would become more complex under this option because the authority would have to have revenue streams adequate to cover both debt service and operating costs. This would probably mean both a dedicated revenue source and lease or contract payments by the school system. However, investors might find long-term financing more attractive with the assurance that an independent authority would be providing adequate maintenance and efficient operation.

The advantage of a building and operating authority is a clear assignment of responsibility to an independent agency that is solely concerned with the overall condition of school physical facilities. It would recognize the important relationship between how facilities are constructed and how they are maintained and operated. If an authority or private lessor had responsibility for both capital and operating costs, there would be a strong incentive to build energy and maintenance efficient buildings with good space planning.

For the schools, such an arrangement would relieve them of a major problem unrelated directly to education, and would provide first-class facilities that are properly maintained. It should also be possible to consolidate and close some existing schools by virtue of the opportunity for the children to attend modern well-designed schools. Independent operation of only the facilities, and not the actual delivery of educational services, should minimize parent and community objections that have characterized efforts to privatize educational services. Care would have to be taken to avoid displacing current custodial and maintenance employees.

The disadvantages of this option, in addition to those of a building authority, are the much greater complexity in the design and enactment of legislation that would transfer responsibility for maintenance and operation to the new authority. The status of existing employees involved in the transfer would have to be resolved. Precedent for such a transfer exists in the recent establishment of a convention center authority and in the creation of the airport authority that took over operation of National and Dulles airports from a federal agency.

Private School Facilities Corporation

The District government currently leases a wide array of facilities from private firms, including the Presidential Building where the school system headquarters is located, but because of the unique design characteristics of schools and historical custom, there has been no significant financing and leasing of school buildings by private firms. However, there do not appear to be any legal prohibitions on such leases if private firms were willing to assume the responsibilities and risks of building and leasing school facilities to the government.

A corporation could be created for the sole purpose of building, rehabilitating, and operating school physical facilities. Alternatively, an existing firm or firms could provide such services. The corporation could either be a profit or non-profit entity. It would assume responsibility for financing the capital needs from private sources using future lease payments by the school system as security. Because of the overall condition of the city's credit and because school buildings are not readily adaptable to other uses, the leases would need to be specially assured to warrant the risks of the corporation and its lenders. The private financing could be conventional real estate loans, real estate investment trusts, certificates of participation in the leases, the corporation's own capital, or a combination of these sources.

The advantages of this option would be similar to the building and operating authority, but without the problem of creating an authority with a dedicated tax revenue. In addition, it would be possible to phase in the change so that a corporation could be initially designated to do only several facilities to test the best way to proceed. Alternatively, a corporation could be asked to design a master plan for all school facilities.

The disadvantage of a private corporation is the lack of experience in this type of approach to providing school facilities. Private investors, government officials, developers, and city residents would have to be provided convincing evidence based on careful planning and research that such an approach was feasible and beneficial before proceeding. A possibility would be to initially design a demonstration project for a small, but diverse group of facilities to show the advantages of this approach.

PREPARED STATEMENT OF GERSHON M. RATNER

INTRODUCTION

I am pleased to testify on behalf of the DC Appleseed Center on the District of Columbia's finances and the Federal role in the District's current financial problems. The DC Appleseed Center is an independent, nonpartisan organization of lawyers, accountants, and others living and/or working in the District who volunteer their time and professional abilities to advocate systemic reform of the finances and management of the District government.

Since its creation in 1994, DC Appleseed has focussed much of its attention on analyzing and recommending changes to the financial relationship between the Federal and District governments. Two of DC Appleseed's reports one on the annual Federal Payment to the District and the other on the unfunded pension liability relate directly to the issues being addressed by this Committee. Those reports have been provided to Committee staff.

DC Appleseed also seeks to ameliorate the financial and management problems for which the District government itself is solely responsible. While those issues are not the subject of our testimony today, DC Appleseed believes in no uncertain terms that the District government must set its own management affairs in order if the District is to realize the goal toward which we believe both Congress and the District need to strive economic and social health under responsible locally-elected governance. We are not apologists for mismanagement at any level.

However, for the Nation's Capital to achieve these goals, the Federal government too must meet its obligation to compensate the District fully for revenue restrictions it has imposed on the District. While recent Federal legislation contained in The Balanced Budget Act of 1997 (Pub. L. 105–33) made strides in that direction, the Federal government is still not adequately compensating the District for the costs of those restrictions.

I. REVENUE RESTRICTIONS AND THE FEDERAL PAYMENT

A. History of the Federal Payment

For over 200 years, the Federal government has made annual cash contributions to the District government. The Federal Payment first made in 1790 averaged between 40 and 50 percent of total District expenditures until 1925, when Congress began to determine the Federal Payment on an *ad hoc* basis. That *ad hoc* system continued through the institution of Home Rule in 1973.[1]

In the Home Rule Act, Congress expressly identified nine factors that should be considered in calculating the Federal Payment, including "potential revenues that would be realized if exemptions from District taxes were eliminated."[2] Nonetheless, **Congress has since grossly diminished the relative size of the Federal Payment,** reducing it to between 13 and 18 percent of total District expenditures in every year from 1985 to 1994. In FY 1997, the last year Congress made a full Federal Payment to the District, **it was $665.7 million,** merely 13 percent of the District's 1997 expenditures as small a percentage as at any time since 1823.

B. The Federal Government's Restrictions on the District's Ability to Raise Revenue

A fundamental justification for the Federal Payment is to compensate the District for revenue raising restrictions imposed by the Federal government. The two restrictions that appear to cost the District the greatest amount of revenue are Federal laws that:

- prohibit the District from taxing the income that nonresidents earn in the District, and
- exempt from local property taxation the 42 percent of the land in the District that is either owned by the Federal government or because it is an embassy or for other policy reasons is defined by Federal law as exempt.

As part of the Home Rule Act, Congress expressly prohibited the District from taxing income earned in the District by nonresidents. Because it does not receive a share of state tax revenues from the states in which nonresident workers live, the District has no means for collecting income taxes from those workers.

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[1] DC Appleseed Center, "The Case for a More Fair and Predictable Federal Payment for the District" (Nov.2, 1995) at 2–4.

[2] District of Columbia Self-Government and Governmental Reorganization Act, P.L. 93-198(1973).

The District leads the nation in the percentage of income earned by nonresidents: 64 percent of income earned in the District in 1995 was earned by nonresidents. This means that nearly two out of every three dollars earned in the District cannot be reached to pay for District services, many of them utilized by nonresident workers. **If the District were permitted** to levy a typical commuter tax rate of **2 percent on income earned** by nonresidents, DC Appleseed estimates that the District would have raised between **$457.7 and $471.4 million in revenue in 1995.**

Federally-imposed property tax restrictions result in even greater annual revenue losses to the District. Federal law exempts parks, monuments, Federal buildings, embassies, and federally-chartered institutions from real property taxation by the District. While such general restrictions exist elsewhere, the District because it is the Nation's Capital has a far greater proportion of federally-tax exempt property than any other sizeable city in the country. **Specifically, 42 percent of District property,** measured by acreage, is exempt from property tax solely as a result of Federal restrictions. In its November 1995 report, DC Appleseed estimated that the District government lost $693 million in 1995 property tax revenues as a result of these restrictions.

Thus, in 1995, the District lost at least $1.15 billion of revenue due to these two Federal revenue restrictions alone.[3] This amounts to over 20 percent of the District's annual budget.

DC Appleseed believes that the amount the Federal government contributes to the District—whether as a cash payment or through direct funding of government functions—should not be determined on an *ad hoc* basis, but instead should be designed to compensate the District for revenue it loses due to Federally-imposed revenue restrictions. Under DC Appleseed's analysis, such a Federal Payment would have been approximately $1.15 billion in 1997, rather than the $665.7 million actually transferred.

II. THE D.C. REVITALIZATION ACT SOLVED THE DISTRICT'S PENSION PROBLEM, BUT PERPETUATES THE FEDERAL GOVERNMENT'S INADEQUATE FEDERAL PAYMENT

A. Terms of the DC Revitalization Act

Between January and August 1997, Congress and the Clinton Administration developed a legislative initiative for the District—known as the DC Revitalization Plan—that was enacted as part of the Balanced Budget Act of 1997. The fundamental *financial* components of the DC Revitalization Plan are:

(1) Federal reassumption of financial responsibility for the three pre-Home Rule pension plans (based on DC Appleseed's recommendation in its June 1996 report, "The District of Columbia's Pension Dilemma—an Immediate and Lasting Solution");

(2) an increased share of Federal funding for Medicaid,

(3) Federal funding of a number of criminal justice functions, including the Lorton Prison; and

(4) discontinuation of the annual Federal Payment to the District ($665.7 million in 1997), and the payment of a Federal contribution in 1998 of $190 million, with only the possibility of Federal contributions of unspecified amounts in future years.

B. Federal Reassumption of the Pension Liability Is Critical, But Should Not Be Offset Against the Federal Payment

The Revitalization Act provision that the Federal government reassume the District's $5 billion unfunded pension liability is the most significant financial element of the DC Revitalization Plan—in terms of both long- and short-term savings to the District. By immediately removing the unfunded liability from the District's books, Federal reassumption eliminated the negative effects of the unfunded liability on the District's fiscal health. In addition to improving the District's borrowing capacity and the security of pensioners, the District will save $227.7 million in 1998 as a result of Federal reassumption, an amount that will grow substantially over the next several years.[4]

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[3] The Federal presence also causes other revenue shortfalls, such as those identified in a 1997 Brookings Institution revenue study, *The Orphaned Capital*, which concluded that the Federal government should pay the District $1.2 billion per year to compensate it fully for its role as the Nation's Capital.

However, without minimizing the importance of Federal pension reassumption to the District's overall financial condition, it would be improper to treat the $227.7 million savings to the District as satisfaction of the Federal Government's obligation to provide an equitable Federal Payment. While other Federal costs under the Revitalization Plan are properly considered offsets to the Federal Payment, the reason for the Federal Government's assumption of those costs is sharply distinguishable from the reason for its reassumption of the pension liability.

By funding the costs of Lorton and other elements of the criminal justice system as well as a higher percentage of Medicaid, the Federal government is paying for District costs that do not arise as a result of the Federal government's fault. Thus, the Federal government's direct payment of these costs may properly be characterized as funding in lieu of a cash contribution in the form of the Federal Payment.

In contrast, the unfunded pension liability was entirely due to the Federal government's own failure to fund the pension plans at the time they were transferred to the District in 1979. Prior to Home Rule, all aspects of the District government were treated as though the District was a small Federal agency. Thus, employees working in the District of Columbia government were on the Federal payroll: there were no independent District of Columbia bank accounts; all taxes and other revenue, even those payable to the District, were deposited in the Federal Treasury; and all District payments to vendors, creditors, and others were paid with checks from the Federal Treasury.

Between 1916 and 1970, Congress created the District pension plans at issue (the police/firefighters, teachers, and judges plans) and defined the participants' benefits. The plans were created as defined benefit plans that promised to pay participants a lifetime annuity without regard to how much money had been set aside to fund these benefits—an unfunded plan design that resembled the majority of public sector retirement plans at the time. Prior to the establishment of Home Rule in 1975, employees and the District government both contributed to the plans, but those contributions went into the Federal Treasury rather than into a separate pension trust fund dedicated to providing benefits to participants. Thus, contributions to the plans were spent by the Federal government to fund general Federal operations, and benefits were paid each year from available Federal Treasury general revenues. As a result, even when compared to significantly underfunded state and local plans, the District plans became egregiously underfunded.

The unfunded pension liability crisis arose as a result of the manner in which the plans were transferred from the Federal to the District government shortly after Home Rule was established in 1975. **In 1979, the Federal government enacted legislation** that, in the following year, transferred to the District responsibility to make retirement benefit payments to the plans' participants, but did not transfer funds adequate to pay for those benefits that had already accrued during the time of Federal control. **Specifically, the Federal government** transferred to the District $2.7 billion in pension liability that had arisen under the Federal government's stewardship, but transferred assets and promised future Federal contributions valued at only $687 million. **Thus, the District was left with over $2 billion** in unfunded pension liability for which the Federal government accepted no responsibility. Such an unfunded pension liability transfer would be prohibited by the 1973 Employee Retirement Income Security Act if it involved employers in the private sector.

Solely because of the underfunding in 1980, the unfunded liability has grown to exceed $5 billion today. The District has done *nothing* to exacerbate the unfunded liability. Indeed, the District has fully funded **all** benefits that the plans' participants have earned since the 1980 transfer of liability. In fact, every year since then, the District government and the plans' participants have made contributions to the plans that have **more** than covered the costs of the benefits that participants

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[4] Prior to reassumption by the Federal government, the effects of the unfunded liability were enormous. In 1997, the District paid $200 million more in annual pension payments than it would otherwise have paid if these plans had been fully funded by the Federal government at the time it gave the District responsibility for the plans. If the problem had not been solved, in 2004 the District would have begun making $1 billion payments into these pension funds, to cover only one-third of its workforce. Further, the existence of the large unfunded lability severely restricted the District's ability to borrow money at reasonable interest rates. In addition, the unfunded liability substantially diminished the financial security of the employees covered by these plans, who received a "guarantee" of retirement benefits from the hopelessly underfunded plans or the District's own limited revenues in place of a pre-1979 guarantee that, when they retire, they would receive retirement benefits from the Federal Treasury.

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earned in that year. The excess contributions made by the District have *reduced the rate of growth in the unfunded pension liability* inherited from the Federal government.[5]

In light of the foregoing, it is clear that the Federal government's reassumption of the unfunded pension liability was based on an equitable obligation to reverse its earlier error, and Federal funding of $227.7 million in 1998 pension costs (and greater amounts in future years) is directly attributable to remedying that error. To allow the Federal government to offset this $227.7 million against its Federal Payment responsibility would be unjust double counting: what the government was obligated to do for independent reasons may not properly be counted also as a unilateral contribution. **Therefore, even with Federal** reassumption of the pension liability, the amount of the Federal obligation to compensate the District for Federally-imposed revenue restrictions remains at $1.15 billion.

C. The Federal Contribution Under the Revitalization Plan Do Not Fully Compensate the District for Revenue Raising Restrictions

The independent Greater Washington Research Center calculated that, in FY 1998, the Federal government will spend, in addition to pension costs, $674.2 million on the District under the DC Revitalization Plan.[6] **The manner in which the Federal government** contributes to the District has changed; whereas the District once received a Federal Payment of unrestricted revenue, all but $190 million of the Federal expenditure is now used to directly fund certain District functions. Nonetheless, the financial contribution to the District remains roughly unchanged. In 1997, Congress provided a direct Federal Payment of $665.7 million, while the 1998 budget provides for $674.2 million in Federal expenditures.

When measured against DC Appleseed's estimate that two Federal revenue restrictions cost the District $1.15 billion annually, the 1998 Federal contribution to the District is $375.8 million per year less than it should be. This should be corrected. Whether through increasing the Federal cash contribution to the District, directly paying for additional District functions, or repealing some Federal restrictions on the District's revenue raising capacity, **Congress should** eliminate the Federally-caused revenue shortfall that now burdens the District.

CONCLUSION

To be sure, the District government still needs to do an enormous amount of work to fix its own management and financial failings. And, by reassuming the unfunded pension liability, the Federal government has taken a tremendous step toward enabling the District to recover financially. But, Congress can and should do more by fully compensating the District for the hundreds of millions of dollars of revenue it prohibits the District from raising on its own.

PREPARED STATEMENT OF CONSTANCE A. MORELLA

Mr. Chairman, thank you for inviting me to participate in these important hearings. Yesterday, you emphasized regional cooperation in addressing the education and workforce challenges in the District of Columbia. The hearing today focuses on the DC Public Schools.

As a former teacher, I have great concern about the DC public school system and the children in our nation's Capital. The DC Public Schools spend between $8,000 and $10,000 per pupil. This means that the District spends $2,000 to $4,000 more than the national average. (Maryland spends approximately $6,600 per pupil, and Virginia spends about $4,800.) The District ranks near the bottom of the nation in

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[5] The DC Appleseed Center is not alone in drawing the conclusion that the entire current liability is attributable to the period of Federal control over the pension plans through 1979. Since issuing its report in June 1996, the DC Appleseed Center asked the American Academy of Actuaries to review the actuarial conclusions contained in our report, and the Academy concurred that the unfunded liability and its growth can be traced entirely to the period of Federal control over the plans before 1980. In its July 9, 1996, testimony before Congress, the U.S. General Accounting Office independently reached the same conclusion, citing with approval the findings in the DC Appleseed Center report.

[6] This is a total of the following nine expenditures: management reform ($8 million); corrections ($169 million); criminal justice system ($108 million); parole, adult probation and offender supervision ($26.9 million); public defender ($9 million); pretrial services ($6.3 million); U.S. Parole Commission ($0.8 million); Medicaid ($136.2 million), and the Federal contribution of $190 million. Memorandum of December 4, 1997, from Philip Dearborn, Executive Director, to Greater Washington Research center Members.

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both Math and English test scores. The cumulative Grade Point Average for 12th grade students is 1.5 on a 4.0 scale. Clearly, the amount of money spent has failed to correlate into success in the education of the youth of the District.

The District spends more than most of the other schools in the area on administration. DC spends only 67% of its budget on instruction as opposed to 77% in neighboring counties. The former Superintendent's office alone had cost $6 million, which is more than the combined budgets of the superintendents of Montgomery, Fairfax, and Baltimore Counties.

When Congress established the District of Columbia Financial Responsibility and Management Assistance Authority, commonly called the Control Board, we clearly gave this panel broad powers with sweeping authority to manage the District's financial crisis. One of the first acts of the Control Board was to seize control of the public schools, replace the superintendent with a chief executive officer, and appoint a board of trustees.

Recently, a federal court ruled that the Control Board Overstepped its authority by appointing a board of trustees.However, the court did affirm the powers invested in the Control Board by Congress, and ruled that only the Control Board could step into the shoes of the Board of Education.

Mr. Chairman, the revitalization plan for the District of Columbia has just been authorized and funded by Congress, and I believe that we must allow this plan to be implemented before imposing further changes upon our capital city. The Financial Control Board has just hired a Chief Management Officer who will be responsible for the daily operations of the city. We must give Camille Barnett an opportunity to run the city, and we must give the Control Board time to clean up the rampant mismanagement in the DC school system.

Mr. Chairman, I appreciate your sincere interest in providing a regional education and workforce training system in the metropolitan Washington area. Let me make clear, however, that I cannot support any initiative that calls for a non-resident income tax on DC commuter wages.

I am opposed to a commuter tax on the residents of Maryland or Virginia who work in Washington, DC This would result in a huge loss of revenue to the State of Maryland and negatively impact the services afforded Montgomery County. I feel that Marylanders who work in Washington, DC already contribute millions of dollars to the City in various taxes and fees.

Mr. Chairman, I again thank you for your dedicated interest in education and training development in the greater Washington area. I would be pleased to work with you in any way that I can, short of imposing a commuter tax on the surrounding suburbs, on a plan to make the District a safe and thriving city that is a source of pride for the entire nation.

PREPARED STATEMENT OF WILLIAM M. FREEMAN

Mr. Chairman, on Thursday, January 8, 1998, DC Agenda focused its quarterly Board meeting on the subject of workforce preparation. As I indicated in my written submission, I am co-chair of DC Agenda's Economic Development Committee, and chair of the workforce preparation subcommittee. I would like to take this opportunity to present a few of the highlights of that meeting.

First, DC Agenda commissioned a research report from the Urban Institute which reviews trends in the availability of jobs in the city and surrounding suburbs. The report suggests six basic principles for an effective workforce development strategy targeted to people in the District of Columbia.

1. Think and plan regionally. Workforce development efforts targeted to District residents must recognize that the labor market is regional. Training and placement programs should link District residents to the full range of employment and advancement opportunities region wide, although some services may best delivered at the neighborhood level.

2. Work with and respond to private sector employers. In today's tight labor market, employers have a strong incentive to participate in efforts that will provide them with qualified, reliable workers. Programs that respond to employer priorities and are linked to real job prospects are the most likely to produce meaningful results.

3. Recognize the diversity of the target population. The population of District residents who need employment services is diverse. A "one size fits all" approach to workforce development will not be effective.

4. Combine programs that focus on quick attachment to the labor force with those that build human capital. Programs that focus on quick attachment to the labor force should help participants development a longer-term strategy for advancement.

Programs that focus on longer-term education and skill-building should maintain close ties to employers and provide meaningful work experience in the short-term.

5. Focus on employment and longer-term self-sufficiency as the priority goals for all participants. Every workforce development program should deliver a clear and consistent message that work is the objective, and that becoming self-sufficient may involve a progression through several jobs, while a person builds experience and skills. Keeping a job—and advancing to a better job over time—may be as much of a challenge for many DC residents as getting a job in the first place.

6. Hold programs and agencies to high standards of performance. Any program, no matter how well designed, will fail if it is not effectively implemented. Every element of the District's workforce development strategy should be monitored to ensure that it is delivering services and producing results for the people who participate.

A similar view was offered by the Manpower Demonstration Research Corporation (MDRC), which presented five common characteristics of the most effective employment programs which they have studied. As you may already know, MDRC is a nationally recognized non-profit research organization funded in 1974, which designs and rigorously field tests promising programs aimed at improving the life prospects of disadvantaged persons. They have concluded that effective programs must have: (1) an employment focus, that is, have as their primary mission to provide jobs to individuals; (2) private sector involvement and connections, allowing for strong private sector guidance regarding training needs; (3) high expectations for program participants, thereby introducing them to the same types of expectations that will be found in the workplace; (4) aggressive recruitment to reach those businesses that need employees, but which may not have volunteered to take graduates of training programs; and, (5) good management and data systems, allowing programs to track the on-going performance of their graduates.

A representative from the Marriott Corporation's Pathways to Independence Program said, quite succinctly, that there are three things that effective training and placement programs must do for its program participants: build self-esteem; create accountability; and create dependability. Without these elements, the programs—and the participants—will fail.

The findings and insights of these groups require us in the District to take a hard look at certain programs and assumptions as we develop effective workforce preparation strategies. On the one hand, the District has approximately 200,000 residents who are on AFDC or are medicare-eligible. That means that roughly 40% of the residents of this city are currently unemployed or are underemployed. These people need more than jobs—and programs such as Jobs First, which focus solely on employment and preclude the opportunity to provide needed preparatory support services, including child care, transportation, and workplace skills, will not solve the problem. We need to remember that there is work to be done with these individuals before and after they are hired, and programs which provide mentoring, conflict resolution skills and other support services are the ones which will enable individuals to keep their jobs and progress in the workforce.

Our discussion also focused on the fact that job opportunities are present in the District of Columbia. There is, in fact, a surplus of entry level skills jobs in this city—that is, there are more entry-level skilled jobs in the city than there are District residents who have the skills to fill those jobs. It is clear that regional strategies must also provide for the opportunity to train and place individuals for positions here in the city.

I'd like to share one brief anecdote that was discussed in our meeting. A service provider described the difficulty of working with a client who was a homeless person. The difficulty arose not because the individual was homeless—in fact, the person was persistent in the training program, and had gotten a job. The difficulty arose because the social service regulations for homeless people require that individuals move to different shelters several times a month, and that they must be at the shelter by a certain time or lose their beds. Needless to say this created transportation and punctuality problems for the individual. When a representative from the training program spoke with social services, he was told that the problem was insoluble—rules were rules. And, of course, the homeless person eventually fell through the cracks. One challenge for us all is to identify what is the most important issue, what has the potential for resolving or addressing other problems. I submit that getting and keeping a job and the economic viability associated with the job, is the most important thing—and that social service procedures should be revised to ensure that those receiving multiple services have a real chance for success.

In closing, I would like to say that the lessons learned at DC Agenda's Board meeting will be incorporated into our workforce preparation efforts: We must recognize that providing effective pre- and post-employment services to those most in need is the single most important determinant to an individual having a chance to get and keep a job; Employers must have realistic expectations of the target population and recognize the need for some type of support for this diverse group; Multiple social services must be coordinated and structured to maximize the potential for appropriate performance in the workplace;

We need to be attentive to identifying measurable goals—not just in job placement, but in job retention and advancement; And, as I said earlier, we must think and plan regionally.

Thank you for the opportunity to provide this supplement to my initial statement.

PREPARED STATEMENT OF JAMES M. JEFFORDS

Welcome to day two of our hearings on workforce development for the 21st century and the education reforms necessary for our students to enter that workforce prepared. Yesterday we heard eloquent testimony about the enormous economic potential of what the Greater Washington Board of Trade called "The Potomac Region." I want to show again this Sunday's *Washington Post* which I happen to have right here—100 pages of unfilled jobs in this area. We know from yesterday's testimony and numerous reports that there are 50,000 information technology jobs currently available in the Washington metropolitan area. As I said yesterday, there is NOTHING more important to the parents of this Potomac community, or for any parents for that matter, than knowing that their children are being prepared to be self-sufficient and gainfully employed through well-paid jobs with growth potential. With the evident demand in the job sector and through working as a region I am confident that we can make these parents' and students' dreams a reality.

No children in our Potomac community are further from this dream, however, than those in the District of Columbia Public School system, which will be our focus for today. For years, the city's schools have been in a state of decay, delay and dilapidation. At present, there is a $2 billion infrastructure crisis in the DC Public schools, as outlined by a General Services Administration report that I have submitted previously to the Congressional Record when speaking about this issue on the Senate floor. And I have spoken numerous times about this to my Senate colleagues because it is Congress' responsibility to see that these schools are fixed and that the children of the nation's capital city receive a fair and appropriate education.

There are various issues that have come up recently that might cloud the focus of our discussion today, so I want to reiterate: the focus is the children; their right to an education that starts on time in buildings that are safe and with outcomes that are credible in a competitive world. We recently got the first valid base-line academic test scores in the District in over a decade and the results were shameful. The students of our nation's capital were greatly BELOW the national average in almost all grade levels and subjects. This is a travesty. As Arlene Ackerman, the new Chief Academic Officer for DC public schools stated when releasing these sorry statistics, "The lives of our children are at stake." Let me state for everyone listening today or watching and reading in the press, these children, the children of the nation's capital, are OUR children. Every member of Congress has a responsibility for their well-being.

I also know that the children of this city have the desire and the ability to learn as well as any in the country. As stated yesterday, we know that kids enter the District's school system at the national learning norm; only after they have been subject to the education system do the averages spiral downward. I have personally seen how the proper support, encouragement and dedication from the community can help to turn these test scores around. I am one of 1200 weekly reading mentors in a non-profit literacy improvement program called **Everybody Wins**! I helped to launch this program three years ago in the Senate with Senators and Senate staff serving as reading volunteers at the Brent Elementary School, a short walk from this office building. Then the House joined on. The corporate community stepped up to the plate when C-SPAN became first private organization to partner with a school, the Walker Jones Elementary school also on Capitol Hill. The recent reading proficiency scores released in the last week show that at the elementary schools where Everybody Wins! has been a partner for more than two years the children are reading at much higher proficiency levels than at schools of similar demographics. I began this program to bring leadership to the literacy crisis facing this nation and to show that community involvement is the backbone of strong education. I just want to make sure that my colleagues in Congress recognize that we are the community that the children of this city rely on.

Basically when it comes to fixing the school infrastructure emergency, the buck stops with Congress. In order for us to meet the $2 billion challenge outlined in the GSA report Congress would have to appropriate $200 million a year for ten years to complete the D.C.P.S. master plan for improvements. I have found through experience that appropriating this money will be unlikely. Or we can help find a dedicated revenue stream to support bonds to finance these improvements. I remind my colleagues that based on the rate of annual appropriations since 1993 it would take 150 years for D.C.P.S. to accomplish their ten-year plan. How many children will fall through the cracks if we wait that long? Congress is not living up to its responsibility.

Today we will hear testimony about the status of the school infrastructure, options for financing repairs, and the responsibility we have in Congress for ensuring that the children of this city are guaranteed an appropriate education and a bright economic future. The health of the entire Washington metropolitan region, our Potomac community, is at stake. I thank everyone for attending to testify and I appreciate everyone here taking time to focus on these important issues.

EDUCATION AND WORKFORCE DEVELOPMENT IN THE WASHINGTON, DC AREA

THURSDAY, JANUARY 15, 1998

U.S. SENATE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:10 a.m., in room SD–430, Dirksen Senate Office Building, Senator James M. Jeffords (chairman of the committee) presiding.

Present: Senator Jeffords.

Also Present: Representatives Thomas M. Davis and James P. Moran, and Delegate Eleanor Holmes Norton.

OPENING STATEMENT OF SENATOR JEFFORDS

The CHAIRMAN. Good morning and welcome to the third day of hearings relative to the District of Columbia and the school system and the problems that are related thereto, as well as other information with respect to the District.

This is an important day in the sense that I think we are going to hear some information which hopefully will be very encouraging in the sense of where we go for the future.

I want to just summarize to a certain extent where we are, and I am going to emphasize the importance to Members of Congress and their understanding of why we are here and why it is important that we end up with a resolution of some of these most difficult problems involving the infrastructure, the school infrastructure in particular, and the Congress' responsibility. We heard from witnesses that Congress was responsible as if a State for having the children of the District, to ensure that they are receiving the structure and the necessary funding, etc, to provide the children of the District with an appropriate education, and also that there is no way at present for the city to bond or otherwise fund for the $2 billion necessary to make the infrastructure educationally fit.

That was really the whole purpose, in a sense, of holding these hearings from a Congressional perspective, to make sure that this body understands that this is not something we can slough off. It is not something that is not our responsibility because it is, and that is clear from the decision.

I speak also as a former Attorney General, one who has been involved in education over the years and understanding the responsibilities and the needs for providing a good education. The Members of Congress cannot ignore that responsibility.

Also, there was further testimony that the District is prevented from the revenues, such as the tax on nonresident income enjoyed by all other cities similarly situated. The maximum that is provided to cities under this situation is 4.65 percent in Philadelphia and they go on down to small percentages. But that is important to understand.

The reason I bring that up is that we, that is the Congress, in 1976, we prevented the city from utilizing that source at the request of the Senators from Maryland and Virginia and the results of that, you can easily understand why they wanted to make sure that did not happen.

Second, there was further testimony that the District is prevented from revenues such as the ability to get what was logically intended, that is a sum of money to take into consideration that as a State or as a city, they could not tax the buildings of the Federal Government nor the embassies, etc. That testimony pointed out that that should provide about $1.2 billion with respect to a payment to the city from the Federal Government. I just wanted to emphasize those because I think they are important.

Today, we will hear from experts who will lay out for us the various options for implementing effective workforce development strategies. In particular, it is my hope that today's witnesses will describe strategies for improving education for all the students in the area and illustrate the essential tie between education and the workplace. I am especially looking forward to discussing with our panelists possible opportunities for public and private proposals that will establish successful workforce development systems for the Potomac region.

Two years ago, Congress passed the District of Columbia School Reform Plan. This effort was intended to serve as a blueprint for a comprehensive educational training initiative. A few key elements of the reform plan are the elimination of social promotion, enhanced professional development opportunities, particularly leadership development projects for principals, and the establishment of formal partnerships between businesses and schools. Those of us who designed the plan, and I was deeply involved in that as the subcommittee chairman of the District of Columbia Appropriations Subcommittee at the time, envisioned that these business-school partnerships would enhance access to state-of-the-art technology, establish a regional job training and employment center, and assist students in the District of Columbia schools in developing individual career plans. I am keen to learn how each of these elements are fitting into the District's educational reform effort.

A strong workforce is perhaps the most essential element of a thriving economy. The heart of our future workforce is our children and they are everyone's responsibility, whether they live in Vermont, Virginia, Maryland, or the District of Columbia. With learning, partnership, and commitment, we will guarantee that everybody wins.

[The prepared statement of Senator Jeffords follows:]

The CHAIRMAN. The purpose of today's hearings is to reflect on what we learned over the past two days and to discuss potential solutions to the education and workforce problems that are plaguing the Washington, DC, area.

Panel one, our first panelist today was supposed to launch our hearings on Tuesday. Unfortunately, however, our distinguished witness was out of the country and could not be with us at that time. I wanted to commence these hearings with Dr. Fuller because his research provides powerful insight into the role of the District on the economic vitality of the Washington, DC, region.

I cannot tell you how important his testimony will be as to understanding why it is important that the District of Columbia has every opportunity to improve its economic vitality within its borders, especially by making sure we have an educated population. I am very pleased that he is here with us today and I invite Dr. Fuller to come forward.

He is a professor of public policy and regional development at George Mason University, where he has been since 1994. His tenure in the area, however, extends an additional 25 years as a faculty member of George Washington University. In addition to his extensive work on economic development in the Washington, DC, region, he has studied regional development from across national perspectives, examining countries as diverse and far away as Hungary, China, Morocco, and Jamaica.

Before I do that, I would like to welcome Congressman Davis here to be with us today. He has been one who has taken very seriously his job and has done much to improve the livelihood and the educational institutions and whatever else here in the District of Columbia. Congressman Davis, welcome, and you may make any opening statement you would like to make.

Mr. DAVIS. Senator Jeffords, thank you. Let me just make a brief statement and then I want to get to Dr. Fuller, who is out of George Mason University, located in the 11th District in Fairfax, and somebody whose opinion I value greatly.

I want to thank you for convening this hearing on the education and workforce developments in the Washington metropolitan area. I really appreciate, Senator Jeffords, the effort that you have invested in this important subject as the chairman of the Senate Committee on Labor and Human Resources.

I think this hearing is timely and fortuitous as it coincides with the developments that concern me greatly as chairman of the House District of Columbia Subcommittee. Just this week, the Control Board released the results of a performance audit on District of Columbia Public Schools that was highly critical of contracting and procurement practices in place during fiscal year 1997 for capital improvement projects. I have just had an opportunity to review this audit and I must express my profound concern.

This audit comes on the heels of the shocking news last week that signing bonuses plus additional money to cover the taxes on the bonuses had been authorized for three top school officials, including General Charles Williams, the Chief Operating Officer. While the scheme to call the taxes, called "grossing up", has been rescinded, I am nevertheless grossed out by the entire spectacle. At no time was Congress advised of these bonuses. Had I been consulted, I would have strongly urged a different course of action.

In addition, an article in the Washington City Paper late last week provides a truly astonishing allegation, thus far denied, of the use of substantial school funds in a totally inappropriate manner.

Accordingly, I am announcing today that our House DC Subcommittee that I chair will commence a series of hearings next week, on Friday, January 23, that will attempt to establish the facts regarding these educational issues and hold people accountable where necessary. I also intend to request the General Accounting Office look into the school system to help Congress determine what funds were used and what authorizations, if any, school officials may have had for questionable expenditures.

Everything that Congress has learned confirms my belief that lack of money is not now and never has been the main problem involving education in the District of Columbia. As the Post editorialized on January 2, the critical challenge facing the District school system is the well-documented abysmally low academic achievement levels in the classrooms. Recent events have reconfirmed that Congress was correct to reject the supplemental funding request forwarded to us last spring. The advice we were given by the Chief Financial Office has been borne out by subsequent events.

I understand, Senator Jeffords, that you have made many, many well-intentioned and thoughtful proposals over the years regarding a de facto commuter tax and a regional school board for this region. You have heard me express my grave opposition to these suggestions in the past and I am not going to trouble you with my reiteration of my strongly held views today, but I would certainly associate myself with Senator Warner's remarks on Tuesday. I will emphasize that if additional resources are necessary for the Nation's Capital beyond existing local-generated revenue, that is a burden properly shared by the Nation as a whole and not just by two elements. It is the Nation's Capital, not just a regional capital, is the function of Washington, DC.

I would just note a couple of other things. I come from Fairfax County, across the river. We are in a Dillon Rule State. In Fairfax, we are limited in the revenues that we can raise by the State. We are capped in the amounts that we can put forward, for example, on tobacco taxes, meals taxes, entertainment taxes, and the like, as most jurisdictions are limited in what resources they can collect.

They key is to make sure that we have appropriate parameters of the services the city must provide under the law and the revenue that they can take in, and we made substantial changes to this last year with the Balanced Budget Act that passed and realigning some of the responsibilities of the city so that they can address the core responsibilities with the revenues.

I would also note, and I look forward to Dr. Fuller's testimony, that the city needs a strong economic workforce base. It does three things for the city. First, it provides a tax base so that they can provide money generated locally for education, for human services, for police, public safety, and the like.

Second, it provides an employment base for the young people so that they will have opportunities, job opportunities. Unemployment is under three percent in the suburbs. There is no reason, with some thoughtfulness, that we can do the same kind of thing for the inner city.

And finally, of course, the charitable contribution base. It will enlarge that for the city, which supplements and, I think, will help the city significantly.

But that cannot happen without the city playing a role in being business-friendly, and in many of the laws that the city has on the books now, that were passed in the past, this is not a place where cities who have opportunities to locate in a number of locations are going to choose the Nation's Capital when they can choose adjoining suburban jurisdictions or other areas outside the region, in some cases, that are more business-friendly, more tax-friendly, more regulatory-friendly, and the like, and I think we have to bear that in mind, that this is a joint responsibility where Congress plays a role but the city has to be a partner with us in attracting it.

Again, Senator Jeffords, I am very grateful for your leadership in holding these hearings, starting the dialogue, trying to make our Nation's Capital a model and something we can all be proud of.

[The prepared statement of Mr. Davis follows:]

The CHAIRMAN. Let me just make a comment, too. First of all, I am sorry you could not be here yesterday because I think you would have come away with quite a different perspective on the emergency repairs and how they had to be made and the problems created by the court which ordered the schools closed which had not been intended to be closed or necessarily closed by the type of repairs that were being done. I would ask to have a tape of the hearings yesterday provided to you so that you can see what happened yesterday, especially with the comments by General Becton.

Mr. DAVIS. Senator, I had a staff member here yesterday and I was fully briefed on that and, I think, am familiar with that.

The CHAIRMAN. Second, just again on the commuter tax, I understand the feelings of Virginia and Maryland. Because they get such a great deal out of this, I can understand why they would be very reluctant to allow us to do in this city what every other city can do under similar circumstances. But I would also point out that under, and again, I am sure you are aware of this, but depending upon how it finally works out, that money would be shared among your district and Mrs. Morella's district for the benefit of your regions instead of being sent to Richmond and Annapolis for them to distribute to other areas. But anyway, I will leave that as it is.

Dr. Fuller, please proceed.

STATEMENT OF STEPHEN S. FULLER, PROFESSOR OF PUBLIC POLICY, GEORGE MASON UNIVERSITY

Mr. FULLER. Thank you, Senator Jeffords. Thank you for inviting me to testimony. I would also like to recognize Congresswoman Norton and Congressman Davis. I feel like I am preaching to the choir in a way, inasmuch as I have testified before on this subject.

You have hopefully received copies of my testimony. I apologize for getting those to you only yesterday, but I only returned on Tuesday night from being away for 2 weeks.

I think most people in this room would agree that the District of Columbia is a key and essential element of the area economy. This strong economic relationship stems from the type of economy that we have in the Washington area, and I will not spend as much time talking about that. It is written there and it is fairly easy to understand.

But what this does, it enables both the District and the surrounding jurisdictions to benefit from each other's economic health, or on the other hand, to suffer from each other's economic problems. This is a very important relationship. It does not exist like this in most other, I will not say any other, but very few other metropolitan areas, none that I can identify, where the economy is so interdependent.

It is important to recognize that the District, even though it is a very small geographic unit within this region, still accounts for 25 percent of the economy, substantially more than its population base represents as a proportion of the total population of the region.

There are four core industries that drive this economy. This is important to understanding the District's economic situation. I will just mention them clearly. The Federal Government clearly is the key, even though it is no longer as important as an employer as a source of income and spending. It constitutes slightly more than 50 percent of the economy. The hospitality industry is key, as well. Technology-based business, the newest and fastest-growing component of the region's economy, is increasingly important, particularly in the suburbs. And international business activities are also very important, much more important than most of the business leaders and perhaps elected officials in the Washington area understand.

It is logical that the Federal Government, being in Nation's Capital, is a key element. The hospitality industry relates very strongly as the Nation's Capital, the monuments, attractions, public buildings and functions, and international business. This is really a package of interrelated activities. Technology business fits in there, as well, because the Federal Government has been such an important market for these technology firms and the Defense Department has certainly generated through its procurement much of the technology that the Washington area is becoming known for.

What is important about these core industries is that at least three out of four of them are geographically fixed. They are not going to go away. As long as this is the Nation's Capital, the Federal role, hospitality, and international business is here to stay. Technology-based business is a little bit more footloose, but also strongly tied. Three out of four of these core industries are also headquartered in the District of Columbia and that is what makes the District such an important player in the vitality of the economy. The whole is definitely much larger than the sum of the parts.

I mention that because as one looks for solutions to the District's economic problems, we do not have to look very far. Over the past 30 years that I have been in Washington, and for a much longer period, I am sure, the District's economy has become more and more dependent on its core functions as increasing population has moved out and as the population has developed in the region and the retail sector and the other supporting sectors have developed in the suburbs. So the District is more vulnerable to changes in these core industries.

When the downsizing of the Federal Government started more than 4 years ago now, the District bore the brunt of that. So its economic situation today is not as favorable as we find in the suburbs. It actually is doing quite well compared to other central cities. We often lose sight of that. The most recent unemployment figure for the District in November was 7.6 percent, the best in 8 years. Most central cities in this country have much more serious economic problems. But still, compared to the suburbs, it looks like it is disadvantaged.

I see the current situation in the suburbs as offering an important opportunity to jump-start the District economy and this opportunity will not last very long, so there is a degree of urgency in this. There are job or worker shortages, as you know, in technology businesses throughout the region. Big numbers have been cited. I do not know what the number is, but large numbers.

But that is just the tip of the iceberg. There are vacancies in every sector, every skills area in the suburban areas and in the District, too. The problem is that we have run out of appropriately-skilled persons. That does not mean rocket scientists. It means people at every level who are job-ready.

I see this as an important early action opportunity because 2 years from now, this opportunity may not be as large. The economy will not continue to be as strong forever. I do not have my crystal ball turned on yet this year and I do not know when the good times will stop rolling, but I think it suggests that designing, formulating, implementing some training programs that will get persons who want to work into the workforce has an enormous economic potential benefit for both the District and the suburbs, and I say both the District and the suburbs because, as you know, I am convinced that the health of the suburbs can be improved, the suburban economy can be strengthened if the District economy is strengthened, too.

Right now, we need to prepare District workers to at least be considered for jobs in the suburbs. One of the benefits for that, of course, is that they will bring income back home into the District and increase their spending potential and begin to support and build the local neighborhood retail functions and other residential services, begin to build the economy from the grassroots up, and that could happen in 6 months. This does not, in many cases, require extensive training. It does not require degree programs. It requires programs that are designed to place persons interested in working into the kinds of jobs that are available, matching jobs carefully to the skills and interests and mobility of District residents.

I see a longer term need that is much more serious. It is the one I think you are addressing here and will take much more funding to support and that is to build training and improve education at all levels, from K through and beyond middle age for all residents of the District so that they can compete effectively with suburban residents for jobs in the District as well as in the suburbs. As long as the better-paying jobs in the District are dominated by suburban residents, some of the benefits to the District will leak out immediately. These jobs, definitely more of them could be filled by District residents and I think we ought to target the training and the basic education and the fundamental education to prepare District residents to compete one-on-one with residents anywhere in the country for the jobs that are being generated in the Washington area.

What this means and why it is so important, it is more important than just getting more job skills and reducing the unemployment rate in the District, enabling District residents to participate in the economic good fortunes of this region. It is more important than that, because education and the quality and reputation of the educational school system, as you know from our discussion last year, and I know you are committed to this, that a strong educational program is key to building a strong community.

In spite of all of the benefits that are now available to encourage people to live in the District, those are important, what was accomplished last year, until the educational system is deemed to be competitive with suburban systems, families with children will continue to opt to move to the suburbs from the District. Those are the families that need to be retained in the District. Those are the families that can help build the District's economy to fulfill the potential that it has.

I am convinced that the District's economy can be a model and the District as a place to live can be a model for this country and it is going to require a regional solution. I am definitely a regionalist. I do not have the solution. It is obviously going to be a political solution. But getting people into the workforce immediately to take advantage of this wonderful window of opportunity that we have when the region is performing so strongly, likely to do that for another year or two, but beyond that, who knows, and then building a long-term basis for the resident population in the District so that it can go and get jobs in the suburbs, get jobs in the District, wherever they want, and spend that money in the District and build the economic base and quality of life in the District.

Without doing this, the District is just going to become a monumental city and not a living city. These are nice terms. They have important meaning beyond the rhetoric. I think the capital needs to be a good place to live. I know when I moved to Washington in 1967, I lived in the District. I always wanted to live in the District and it was a wonderful experience, and a lot of the people that live in the suburbs came and lived in the District because it was a wonderful place to live and we need to regenerate that and I think education is the main missing element today. Everything else is in place. Thank you very much.

The CHAIRMAN. Thank you, Dr. Fuller.

As I remember, at least when I talked to you previously, you indicated a figure of what happens when the city improves its economic capacity, as to what benefit that has on the region, and I would appreciate it if you would give us that information.

Mr. FULLER. Yes. I think this is important. I mentioned that in my testimony, in my written testimony. I do not make a lot of it, but it is a key factor, I think, to show how integral the District is to the suburban or to the total economy, not just to the suburban economy but to the regional economy.

If we look at the strength of the District, which is in business services, it may surprise some that also engineering and management services are important in the District. Finance and retail trade was and can be again and is becoming again, certainly as supported by the hospitality industry. If we just take the key leading sectors of the District economy, have those grow a little faster, very nominally, just nominally faster, for every dollar increase that was generated in the District economy, the suburban economy would benefit by at least $1.50, perhaps a little bit more. It depends what scenario we generate here. If services grew faster, the number would be bigger in the suburbs.

What is important about this, it shows that there is a great deal of mobility, of resources. People that work in the District live in the suburbs, may of them, perhaps two-thirds, something on that order. People that stay in hotels, tourists that stay in hotels in Arlington come to the District and spend money, go to restaurants. People that stay in hotels in the District go to Pentagon City and spend money. There is the capital, the income, the residents, the labor force are mobile and they do not pay much attention to jurisdictional boundaries, and that is the reason why the economy just gets bigger when the core is strong.

The reverse of this is true, as well. There are benefits that accrue to the District from a strong suburban economy and so that is why I focus on both pieces being strong, and right now, the District economy could be stronger and the whole region would be better off if that were true.

The CHAIRMAN. Is there any other region that you know of that has this kind of benefit from the core city that helps the region more than it helps itself?

Mr. FULLER. I do not know for sure. Manhattan may play that role in the broader New York metropolitan area. I have not studied the others.

I might say that the District economy, being 25 percent of the region, that would not have been achieved if the labor resources in the suburbs had not been available to support the District's economy. So it is not one against the other. It is really that they are both partners, and right now, the partnership is a little imbalanced. I think through what I have said and what you are emphasizing, more of an immediate effort to upgrade training and education will close the gap substantially in this regard.

The CHAIRMAN. I appreciate that testimony. You have emphasized the need to work as a region, and I guess that is what I wanted to emphasize here, is that probably there is more benefit to this region working together and sharing its resources to try to improve itself than maybe others and we need to develop a better, what I am looking for, at least having visited out in the Los Angeles area and Long Beach and all, that they had developed what they call a seamless educational system on the region, wherein they meet regularly with the postsecondary education groups, the business groups, parents, and all work together to try to design and to figure out what education should be provided, how it should be provided, and working together to bring about the best possible skill training and other education. Would it be wise if we had a similar type of concept here?

Mr. FULLER. Certainly, I would agree with that. The solution to the District's economic problems are not and should not be confined to the District. A regional solution would be much more effective, I think, involving businesses in the suburbs and nonprofit organizations and local governments, exchanges of experience and maybe even resources among school districts, ways to blend this, because we all benefit from it.

I think part of the educational process that you have begun here, and Congressman Davis has done it in the hearings that he has held, the people in the suburbs, the leadership in the suburbs are beginning slowly to recognize that they have a stake in the District. How you mobilize that understanding and how that is used to the benefit of the District, I think is the key question now.

The CHAIRMAN. Again, I want to thank you for coming. You are our most faithful attendee and I deeply appreciate that. I know, obviously, you have a rather important interest here, but I do appreciate your willingness to be here and to cooperate and to help us understand better the problems of the District.

Congresswoman Norton?

Ms. NORTON. The thanks goes all from our direction to yours, Senator, for the way in which you have focused on the abiding problem of the District. Thank you once again for that.

Dr. Fuller, I am interested that you say when you first moved here you wanted to live in the District. You did not live in the District?

Mr. FULLER. Oh, I did. Yes. Actually, I owned a house in the District.

Ms. NORTON. When did you move?

Mr. FULLER. In 1973.

Ms. NORTON. That was pretty early. We were a thriving city then. Did you have children?

Mr. FULLER. I had school-aged children.

Ms. NORTON. It goes back to schools again.

Mr. FULLER. It does. It does. And that does not mean there are not good schools in the District. Where I was living in Southwest, I felt it was in my interest to move to the suburbs, but I would like to move back.

Ms. NORTON. We would love to have you. If you think move deeply about the kinds of incentives that it would take to have you move back here, I think you will understand some of the questions that I am going to put to you.

First of all, I think it is important to understand that the subject we are discussing has a national context. It is most interesting that in suburbs and cities alike, the country is experiencing this enormous scarcity of labor for technology jobs. We understand what we have to do in the District, I think, better if we try to place ourselves in some context.

For example, the national statistics, since the 1990–91 recession, job growth in technology industries nationwide has been four times as great as the job expansion overall. I mean, it would be hard to keep up with this even if we had a good, wonderful education system and that is something this country has not come close to having. This is why I think all of us owe a debt of gratitude to the President of the United States, who has kept hammering at education and finding ways, despite the funds scarcities in the Congress, to keep that issue at the forefront.

I note, for example, that the scores for students in the region went down this year. We have a troublesome education problem.

You can imagine what it is for the central cities or the cities like DC. In DC, we cannot afford to look at the country and say, well, everybody is in trouble so what do you expect of us?

When I was growing up in the District as a segregated town, what they said, you expected of us to get yourself some education and you will find that you will be able to get further ahead. That is somehow what the message has to be to youngsters in the District today.

You say in your testimony, and this is a widely-used figure, that the District's economy accounted for 25 percent of the total region economy, and of course, strictly speaking, that is true, but that is like counting the number of employees in the District, as this does, and calling them part of the District economy when, of course, they carry their wages out of the District, contribute very little except lunch money to the District's economy, and if they get jobs and move out of the District when they move those jobs.

You indicated that the Federal employer is not even an important employer for District residents anymore. Would you elaborate on that?

Mr. FULLER. First, just to pick up on your 25 percent figure, the way gross regional product is measured is similar to gross domestic product. It is the production of goods and services at a geographic place, and you are absolutely correct that the benefits of that, say, $45 billion or so, or maybe it is $47 billion now, that about half of those leak out to the suburbs immediately, not just because of suburban residents working in the central city but also because of District residents shopping in the suburbs and it is the interchange of activities between these very close borders, particularly across the Potomac River.

I forgot the second part of your question. I am sorry.

Ms. NORTON. The Federal Government is no longer the employer it was.

Mr. FULLER. I did not mean to imply it was not an important employer. It is no longer an important source of new jobs. As the job base in the Federal workforce has dropped by approximately 50,000 jobs in the Washington area over the last 4 years, it is not as important. In fact, the Federal payroll paid to District residents is not as big as Federal procurement within the District

Ms. NORTON. Do you by any chance have that figure of Federal——

Mr. FULLER. Federal procurement was $4.5 billion in fiscal year 1996, and I do not have the exact payroll number on the tip of my tongue, but I think it is more in the $2.5 billion range. But that would be to District-based residents, but I could get that for you easily.

Ms. NORTON. That is Federal procurement to District-based——

Mr. FULLER. That is to——

Ms. NORTON. What about Federal employment of District residents?

Mr. FULLER. It is smaller, and I think it is in the $2.5 billion range, is for District residents who work for the Federal Government, regardless of where that job is, but their residential base is the District. I just do not remember the payroll number. But it is true in the suburbs now, too, that procurement is a bigger number than payroll. Ninety-six was the first time that happened. The 1997 data are not out yet. So as the workforce has diminished, as we know, the payroll has not grown. In fact, it has diminished in real dollars, inflation-adjusted dollars, and procurement has continued to grow at about eight percent per year, and the District has done reasonably well in that. It had a good year in procurement, and I think they could do better.

I do not think District businesses and the District government leadership in pursuing economic development opportunities think of the Federal Government this way, that this is an important market that needs to be embraced and needs to be cultivated and worked with, not just the set-asides but the real big contracts, the stuff that can be done very well in office buildings. It is service-based work and it could be done downtown.

The CHAIRMAN. Could you elaborate a little bit more what procurement means in that sense?

Mr. FULLER. This is the purchases of goods and services by Federal agencies from private companies. It was $22 billion in the Washington area in fiscal year 1996. I assume it was bigger last year, but the numbers are not out yet. The District's share of that is around 26 percent. It is a little bit bigger and it has been fairly steady over the years. It goes up and down a little bit.

Ms. NORTON. You mean District-based businesses?

Mr. FULLER. Businesses. This is——

Ms. NORTON. This is a most important avenue for the District for about 5 years. I had a Federal procurement conference simply to draw to the attention of my constituents that the granddaddy of all contractors was right here. Only five percent of that procurement is for items like airplanes and most of it is for contracts under $5,000.

The reason I do not have it anymore is the technology, if I may say so, now with the computer, you can go on line to find out what the day's contracts are. All that the Federal Government has to do, the officer sitting in his agency, is to get three bids, take the lowest bid, and you are gone. They are putting me out of business, so I am imagine what technology is doing to everybody else.

Dr. Fuller, you say, and I am quoting from your testimony, "The key is better education, targeted job training and retraining, continuing educational opportunities designed for all age groups and disciplines." I particularly appreciate that you say all age groups and disciplines. The District wants to get back to that. One of the great tragedies in the cutbacks was we had to also cut back in adult education, people who were trying to learn another language, trying to upgrade their skills, but certainly with youngsters.

You say, in the long run, the District economy will depend on producing a better-qualified indigenous workforce. Respectfully, I disagree. You would be in the best position to do, because of your fine studies and your deep knowledge of the regional economy, I would like to see a study done on what happens to people who have jobs in the District.

The studies I have seen are enormously discouraging because what they show is that, for example, in the population loss to the District, it has been overwhelmingly in people who have jobs. Moreover, our own District Government is a case study of what happens to people when they get a job and live in the District. Part of it has to do with normal demographics and how the world operates, with people moving to the suburbs in any case, not to mention our own City Government and how uncompetitive we are in every respect, from services to taxes.

But what you find in your City Government is many people lived in Ward 5. They got themselves a little piece of District job and they moved straight out with their better education to the suburbs. The figures on who moves from the District speak for themselves. Until recently, the most discouraging figures, which the poor people understand, you are not that poor and that dumb not to understand that the services are better in Prince George's, that per square foot, the rent is better.

So the latest things say that now that the middle class has been raked over and everybody has a job, then moves, takes that job, and then maybe comes back to the District or to the larger pool of jobs in the suburbs, not only is that true, but Prince George's is worried that the poor people now know that life may be better on the other side of the line and that they are "getting out of Dodge" quickly.

So I respectfully say that for a city which has no State to simply say to the hard-pressed District of Columbia school system, educate these folks and you will keep them, is to tell us something that is demonstrably not true and that we wish were true.

One of the witnesses in these hearings proudly spoke of an Anacostia man who was going to school in Anacostia and then this new program got a hold of him and he got a job and now he speaks proudly as a Maryland resident. That is the story of the District of Columbia.

So that unless those of you who engaged in traditional analysis can come up with something other than, "DC, educate some folks," "DC, get some jobs for some folks," we do not simply believe, because the evidence is not there, that all of our good works and hard work will somehow inure to our benefit and all of these kids we educate and all of the job training we do will result in people living in the District of Columbia.

That is why my $5,000 home owner credit was passed, and it has helped a great deal because it was an incentive that gave us a little edge, a little, just a little bit of an edge, and those of you who would say no tax breaks for the District of Columbia, even though we do not have a State to fall back on, have not come forward with a better idea. The Senator's idea of commuter tax, while it may have great political impediments, at least recognizes the honest-to-goodness truth, and that is that people like Dr. Fuller want the best for their children, and if they think they cannot get the best for them, they "get out of Dodge" as quickly as they can and they come and testify and say what a lovely city it is but they are not going to live there. And the people who do not have anywhere near his education want the same thing he has. They want a child with a Ph.D. and they get out of Dodge, too.

So the Senator says, well, look, if you are getting out and you are taking our resources and you are taking whatever we have and you are getting out and you are coming back in and feeding off of us, at least leave some money here. If you are not going to do the commuter tax, and I have not heard you testify in favor of that, and you are not going to give us a tax break and all you are going to tell us is invest more in our schools, then I want to know why you think anybody ought to live here any more than you decided to live here.

Mr. Fuller. Well, I would still argue that a strong and well-educated indigenous population is key to the District's economic future. I would not argue with you that the outcome with many of those people who have received education moving out of the District has not occurred, but that does not mean that the educational benefit that they received was wasted. The next question is, you have an educational——

Ms. Norton. It was not wasted on Prince George's and Montgomery, but it sure was wasted on us.

Mr. Fuller. It was not wasted in the national economy. But once you have a better-educated local population, that is not the only piece of the puzzle. The rest of it is to make the District a good place to live and you will retain more and more of those folks. Reverse commuting is increasing. There are many residents working in Fairfax, or employees in Fairfax County who live in the District, who are bringing their paychecks back because the District is a good place to live. It just needs to be made a good place to live for people with families, and I think then we will have achieved a great deal.

Ms. Norton. The Washington Post reported that—I am very concerned about the kind of "magic bullet" approach that technology offers. Youngsters do not believe it. They are falling away. I very much regret that. We have had testimony they do not go into computer technology as often and the Washington Post reports that workers' skills are not rising fast enough, even those on the job in the suburbs.

I was very concerned that testimony here earlier that the Federal Government's requirements both for their RFPs and apparently for Federal employment itself is way beyond what the requirements that private industry puts out there for people with technology skills. The Post reported on November 30, a very helpful article, the November 30 series of articles, actually, it said, "Even in a sellers' market, technology companies try to be choosey," which means that, like every employer, they are looking for the very best they can find.

There is under Title VII a requirement to have qualifications that are job related and one begins to wonder whether or not, in fact, the Federal Government is doing this. There was testimony that sometimes the Federal Government requires two and 3 years of experience plus college degrees, and the Post reports that of the 289 ads that mention educational requirements, 76 called for a bachelor's degree and 16 percent for a master's.

My question is, how much is technology, particularly given what you know about the District schools, a realistic alternative, if we have elevated requirements being used by employers, public and private, do you think there is anything we can do to encourage employers to, in fact, take young people or people with skills and do more to upgrade them on the job?

Mr. **FULLER**. Even beyond technology and technology firms, there are job opportunities that are quite broad-based, many more job opportunities outside of technology than within, just because it is a small component of the economy.

Ms. **NORTON**. Do you think those jobs are also going unfilled, the ones that are not——

Mr. **FULLER**. Yes. There are vacancies in every sector, from minimal skills, not very good jobs but still a job, to ones that have high educational and experience requirements.

Ms. **NORTON**. Could you give us some examples of those? We have talked mostly about technology jobs here.

Mr. **FULLER**. Because technology is most visible. But in retailing, in food services, in hotels, some of these have seasonal characteristics to them and so we sort of discount them. Construction is the fastest-growing sector right now in the Washington area. It will not always last.

Ms. **NORTON**. And all of those require skills.

Mr. **FULLER**. And there is a range of job opportunities within every one of these firms, and it is true within the technology firms, too. They have clerical workers. They still have paper. They file. They have receptionists and they have software writers.

So I think only focusing on the highest skills level, and those are the ones we hear about—we did a survey last spring, in April and May of 1997, of Washington Post help-wanted ads to see what kinds of jobs were listed out there, and then we called them up. They basically were, since advertising costs money, they were advertising better jobs.

We called up a sampling of firms there to see what kind of entry-level jobs they had and to get an understanding of how they were recruiting. It is interesting that, in a smart way, they know they will get applications from persons that are not quite qualified for the job that was posted, but then they try to put them into a job that they did not advertise that is available because they have a range of jobs and they cannot afford to advertise for all the jobs.

The bulk of the entry-level jobs, almost 50 percent of them, were in the hospitality industry and in food services and restaurants. Now, this was in April and May when that industry is getting geared up. But it is all over the region, and there were vacancies in the District, too. So I think there are lots of opportunities and it is a question of can we match the worker and the person with the skills to the employer.

The **CHAIRMAN**. Congressman Davis?

Mr. **DAVIS**. Dr. Fuller, thank you very much. I think Ms. Norton has given her frustration with the chicken-and-egg theory, and that is that as you get good jobs in the city, they move to the suburbs because you now have the taxes are lower, schools for the most part appear to be better, and public safety and those things, and it is a total fix.

But it seems to me, the demographics of urban areas in general find more singles and seniors in your urban cores than more families and this is true across the country and it is based to some extent on schools and crime but also just congestion, traffic, the kind of things that for a neighborhood life attract families to suburbs in general. But if the city can get a critical mass of families and a public school system that is operable, I think it builds on itself and it feeds on itself. There are a lot of people who would prefer to live in the city if it were a little bit more livable and I think that is the goal of where we are trying to go eventually. Do you have any comment on that?

Mr. **FULLER**. I agree thoroughly with you. Retention of the families, households with children is important because they are leaving, and an attraction of persons who come here as individuals or couples and then start a family to stay. Part of this is the housing stock, that when you have a bigger family, you need a bigger house, and when you get to be an empty-nester, you are sort of looking for a smaller house and the District actually is attractive to certain groups and lifestyles that fit better within this physical environment, and the suburbs again are attractive for other kinds of housing.

Mr. **DAVIS**. That is the singles and seniors syndrome versus families.

Mr. **FULLER**. Exactly.

Mr. **DAVIS**. It is interesting. Attracting capital to the city, if you will, the business money, a tax base, is critical to the city being able to solve other problems because that would give the city more income from its existing tax base.

I have recently been out to Computer Learning Center in Virginia, where we have a lot of DC residents, because there is not a Computer Learning Center in the city. They have been frustrated in their attempts to locate in the city. They are going out there to get the kind of training for these jobs and they come out with pretty good paying jobs as a result of going through sometimes just 6 months of training. Not just anybody can do this work. They have aptitude testing. But the city is getting a lot of residents out there.

Strayer College and other private businesses are stepping up where the public sector has failed. You could say, where is UDC in this? What are they doing to try to train people for the jobs that require some degrees, or in some cases not degree but just training, moving up.

What we have done in Congress is we have gone to zero capital gains in parts of the city that should encourage investment, particularly around the MCI Center. That is not going to be a high-tech area, but certainly for hospitality and retail, that has, I think, tremendous potential. The area around the Navy Yard will have a critical influx of Federal employees, and from that a lot of the contracting spin-offs. You talk about procurement spin-offs. If it is planned correctly, if zero capital gains kicks in there, wage credits kick in there, those are things that can be attractive for the city if they are managed appropriately at the local level, it seems to me, and can build on this mass. Any comment?

Mr. **FULLER**. I think that is what will happen. I think a lot of the important prerequisites have been put in place. There are still some missing pieces. You are discussing some of those here.

I am terribly optimistic about the District's economy future. I think in 1996, perhaps it had its worst year since the recession, and this was caused by other problems. The economy is growing again. Our forecasts are for the economy to grow this year, to have real growth, and it will not have yet benefited fully from all of the incentives that are just taking effect. It is going to take a few years for the full benefit of those to be measured within the economy. The economy in the District, in ten out of 11 months, created net new private sector jobs in the District last year.

Mr. DAVIS. Let me ask a question. I noticed that, particularly in the technology areas, we are finding more and more companies around the globe locating to where the employees are. They are locating to where the qualified and trained workforce is, and we see even in Fairfax, we are losing companies to Loudon and areas where land is cheaper, you can get the campuses, and the population is moving out. America OnLine, UUNET, some of these companies are moving further out where they can get land that is cheaper than it is in the other, older suburbs.

But it still seems to me that, regionally, we are intertwined, that many people move across jurisdictional lines without really any kind of a notice, that what happens in the District, as you noted, has a ripple effect in the suburbs. To some extent, that is vice-versa, as we do see more and more reverse commuters coming in.

At areas, Senators Jeffords, I think, has noted in these hearings of education, but particularly job training, should be done on a regional basis, and doing these for Virginia and Maryland and DC doing their own things is not as important as trying to cross-train people across the jurisdictional lines. The Department of Labor, I think, can be very helpful in that, but I have tried to get together with the university consortiums to try to channel some Federal grants into these areas. George Mason and the University of Maryland are working together. We have tried to involve some of the District's schools.

This is a regional problem that I think we could probably get some economies of scale if we could coordinate some of these on a regional basis, on-the-job training at a graduate school level. Do you have any thoughts on that?

Mr. FULLER. I am in total agreement with your point here. I think it requires a regional solution. All of the universities should play an active role. The community colleges should play an active role and the basic school system should play an active role. I think we could get a handle on this very quickly if we do not isolate the District and say it has to do this all itself, that there are resources and there are people and programs in the suburbs that can be party to what is going on in the District and there are economies of scale.

Mr. DAVIS. Our suburban businesses more and more are taking a look at the city as a potential outlet for more employees, to try to find more qualified employees, and I think you could get in many cases branch offices and things moving down here once you get the employment base.

Senator I think the region needs to talk to each other as well as getting a little push here in terms of some of the training programs, if we can make sure the District is part of this economic equation in a larger way than they have. The thing that concerns me is that the fastest-growing sector, it seems to me, is in the technology-telecommunications area in the region and that is the one area where the city has really not added the value and seems to have been left behind to a greater extent.

I am very confident that the retail and the hospitality parts, the international, the city is going to continue to grow and share in that. But I think these higher-tech areas are areas where the city can also add value and the training is critical to that. To the extent we can coordinate together, get a little push from Congress, I think it helps the whole region.

Mr. FULLER. You are correct. The technology-based businesses are almost exclusively in the suburbs and the quickest way to tap that dynamic, the benefits of those industries, is to put District residents in jobs in those firms that are located in the suburbs and bring that money back into the District.

The CHAIRMAN. Related to that, and I do not mean to embarrass you because I do not think it is you, but Montgomery Community College, the tuition for a DC resident is three times what it is for the resident of the county. Do you know why that is, or is that generally true with the colleges in those areas that are sort of the community-college situation?

Mr. FULLER. I do not have the specific answer, but I suspect they are treated as out-of-State students, just like a student from Vermont would be charged the same differential. It seems to me that is an area for regional cooperation, too, is to provide sort of an in-State tuition benefit that accrues to everybody in the region so that we do not have to duplicate programs where it does not make sense.

Mr. DAVIS. Can I make a comment? I think, Dr. Fuller, that is a good point. I know there is always a jealousy on the part of Virginians who pay taxes and this goes to our community college system and you do not want to share, where people can move in and take advantage that have not been paying part of that.

But when it comes now to particularly some of the courses that are offered in these community colleges and so on to be able to go across the jurisdictional lines is something that the business community and the jurisdictions really ought to look at making that a little more equitable for everybody to participate. I think everybody can benefit and we need to have some discussions to make that happen. But that is a very quick area to try to get some equity to this, it seems to me. So I think it is a good question.

The CHAIRMAN. I think it is, because DC, I do not believe, has a community college in that sense, so it is something we have to look into there. I am going to be talking to university presidents. I already talked to the president of American University yesterday, who is very enthusiastic about working regionally with everyone, and I am sure this is true of all of the universities and all. I hope that we can work as a region together and I am going to work toward that end.

I understand, Ms. Norton, you have one more question.

Ms. NORTON. Yes, Mr. Chairman. Could I just reinforce what you said about UDC? I am pleased that you are going to be meeting with the president of UDC, and might I suggest to Chairman Tom Davis that we may want to have a hearing involving UDC, just as Chairman Davis has announced he is going to have hearings on the secondary schools, because I am not sure that the problem with UDC is curriculum. I just do not know. The reason I am not sure, I think the problem may well be the preparation of the students to pursue certain kinds of curriculum.

I remember, this was years ago, going to a graduation at UDC where everybody who was graduating in the engineering program was a foreign student, a huge number of them. Some country had caught onto the fact that if they sent their entire group of youngsters ready for engineering here, they could get a cheap education at UDC even by paying out-of-country tuition. So they had the engineering program, but if you came through the DC Public Schools and you do not get your math early enough and do not get your encouragement early enough, you are certainly not going to be in engineering, and I am not even sure that they do not have the technology training there.

What I am sure of is that the scores reported in the paper of DC students would not enable them to pursue any such course of training there and that a partnership, perhaps, with the DC Public Schools is the first order of business rather than assuming that if we gave these courses, all of the sudden there would be a whole bunch of kids who would fall in them out of the air somehow or out of the DC Public School System.

Mr. **Davis**. Mr. Chairman, may I comment on that?

Ms. **Norton**. I yield.

Mr. **Davis**. I would really like to invite you out to Computer Learning Center or Strayer, some of these schools that are in Northern Virginia, and see the number of DC students that are going out to the suburbs to get the training they cannot get at UDC now. It is tough, and I think we sometimes look to the public sector to do too much, but the market system tends to work and the private sector is coming up and making a profit training people, putting them in jobs, and it appears to be working.

I do not know. Maybe we ought to hold a hearing on UDC, but my hunch is that they just have not been as proactive in these areas as they ought to be, that that is an area where you could get more bang for the buck and probably get more Congressional support when they see that people coming out of there have real job training in addition to their degrees, as opposed to degrees that they cannot go out and find jobs in.

This should be an item for further discussion. I appreciate your point. It is something we ought to pursue, but I think my gut is that the city could be a lot more proactive in this.

Ms. **Norton**. While the chairman's gut is probably correct, when it comes to any part of the DC Government, I cannot imagine that UDC is somehow very different from the rest.

Dr. Fuller, I appreciate your notion about jobs, even if we are not talking technology jobs, because you have to have a certain kind of basic education to get any kind of job in this country today and I am not sure that is well understood, especially since many students have parents that do not have good basic education but have been able to find decent jobs. I mean, you could have a parent or grandparent who came up from the abysmally and totally segregated school systems of Alabama and Mississippi with a second grade education and raised a family because you could get a factory job, certainly, for example, in Baltimore when there were steel mills, without anything but a strong back.

So many youngsters are not exposed to the fact, and we had some youngsters here, the chairman will remember, yesterday from Roosevelt High School, whenever these youngsters come to the District, and I have a program called "DC Students in the Capital" that is backlogged, there are so many teachers and principals who take advantage of it, designed simply to make sure that it is a part of their education to sit in a hearing and to do whatever you do if you live in the District, in the Capital of the United States, to try to drive home the point I think you were making about jobs other than high-technology jobs.

I indicated to them that in the Capitol where they are now, I am sure that they do not hire people to sweep the floors who do not have a high school education, and one reason they do not is because you do not have to because almost everybody in the United States has a high school education, so why should you not, in fact, assume that people who do not have one, have not even gone back to get their GED, are not people that would make the best employees.

I think maybe this hearing in its discussion about technology needs also to underscore the point you make. Retailing, lots of jobs might even lead to technology jobs. If you are getting a job in Macy's, you end up using a computer which then leads you to Representative Davis' computer center, precisely because you have been exposed as you would not perhaps in DC or even UDC.

Finally, Dr. Fuller, could I ask you if you could help me with a figure that I have checked and is a correct figure, at least as found in the Washington Business Journal. You will recall that my own frustration here is that I do not buy the notion that if we educate people, they will live in the District of Columbia because the figures do not show that. Nevertheless, I buy the notion we had better educate people because you are correct that at least some margin of them will live in the District and that who in the world wants to do anything but encourage education or reap whatever benefits you can. One of the ways to do so, of course, is to give people a reason to live here.

The Washington Business Journal reported no more than six or 8 weeks ago that the District of Columbia had generated only 1,500 fewer jobs—this was a front page article—only 1,500 fewer jobs than the five closest Maryland counties combined, and they named Montgomery, Prince George's, all of the high-income counties.

My frustration there was it did not say in what sectors these jobs were found, and I really cannot figure out quite where, because anything I can think of, like the Arena, would not account for that kind of massive increase. The convention center is not off the ground yet. I would like your opinion—I am not sure if you have information, but information if you have it—but at least your opinion of where you think this job creation is coming from.

Mr. **FULLER**. First, I might say that I am the source of that, and I also——

Ms. **NORTON**. You are the source?

Mr. **FULLER**. I am the source of it, but in saying that, I also have to admit that there was an error in it because the source that I got the information from provided erroneous information. But I perpetuated it.

There still has been net job gain. It is more on the order of 3,000. If you take any 12-month period, July to July, August to August, September to September, the number is a little bit different. But as I mentioned earlier, in ten out of 11 months through November, the District had had a net gain in the private sector compared to the same month the year before, and it is on the order of 2,500 or maybe in some months as high as 3,500. So it is not 10,000, but it is still quite remarkable and it is in every sector.

There are construction jobs. That is not the largest number. There were a few retail jobs in there. The principal source was in a category called business services, and that includes anywhere from custodial work, people that work in buildings, to Kinko's and delivery people to lawyers and accountants. I mean, it has a full range. You cannot say these were good jobs or bad jobs. They were a mixture of jobs. Business services accounted for, I would guess, about half of all of the job growth in the private sector.

There were a few in communications—I presume that was maybe MCI, or there are others, and in transportation and even a couple in a category, though not very many, in manufacturing. There is a little assembly operation. Every sector had some, but it was primarily business services and hospitality services, hotels, restaurants.

Ms. NORTON. This is remarkable, and what it shows is that there is fairly balanced job growth when you consider what the sector base is in this region and in this city, that the city is, in fact, once again the juggernaut that it is capable of being, or at least is beginning to be that juggernaut, and now it seems to me we have two priorities, one, the education priority that is the subject matter of this hearing, and the second priority, and I urge a study by you, Dr. Fuller, because of your enormous contribution and your background and expertise, the next challenge is to find a way to encourage or even to give an incentive for people who get that education who get those jobs to do something other than move out of the city.

Thank you very much.

The CHAIRMAN. Thank you, Dr. Fuller. I apologize to the next panel. We have gone longer, but your testimony was very helpful to us.

I would just like to make one comment. The job creation notice, not meaning that there are jobs for residents. I think at least the estimates that were given to us when we were taking this up when we had the DC bill that passed was that two-thirds of those jobs would still probably be in the adjoining districts rather than in the District of Columbia. So I think that is something we have to think about. Job creation is a benefit, but it is more of a benefit probably to the adjoining regions than it is to us here until we get more of those people living in the District.

Mr. FULLER. Thank you.

The CHAIRMAN. Thank you very much.

[The prepared statement of Mr. Fuller follows:]

The CHAIRMAN. Our final panel and final panel of the series of the hearings, and I apologize for the time delay in that sense, but we had a witness who was very valuable in guiding us for the future.

Our second panel of the day and final panel, the first witness is Arlene Ackerman, the Deputy Superintendent and Chief Academic Officer of the DC Public Schools. Ms. Ackerman has served in public education for 28 years and has been in her present positions for less than 6 months. She has been an elementary school teacher, a middle school teacher, a middle school principal, a director of numerous programs for at-risk youth, and most recently as the Deputy Superintendent of Schools in Seattle, WA. She will be discussing her plan for ending social promotion and improving the skills in students in DC Public Schools.

Having spent a great deal of last week with you, I am very impressed and we are lucky to have you. I want you to know that. I think as we get into matters, the people that may have some questions will become as enthusiastic as I am.

Our second witness is Pat Harvey, who is Director of Urban Education and Senior Fellow at the National Center for Education and the Economy. Ms. Harvey's career in the Chicago schools spanned nearly 30 years and also included service as a classroom teacher. She was a principal at a school that became one of the 12 US Department of Education's National Centers for Excellence.

Before she joined us here in Washington, DC, Ms. Harvey served as the Chief Accounting Officer of the Chicago Public Schools and was responsible for implementing an accountability system there. I have asked her to discuss plans for professional development for teachers and principals at DC Public Schools, which to me is a very critical one.

I would say that I was this past week in Chicago with General Becton and we were very impressed with what has gone on in that city and also spent time with Ms. Ackerman in Long Beach, CA, where we got some interesting ideas and thoughts on especially how to work as a region.

Our third witness, unfortunately, Geoffrey Jones, is principal of the Thomas Jefferson High School but the weather kept him home. At least he closed his school, so I think he probably felt he had to stay there. That is unfortunate, because he is a wonderful man and we had hoped to have him here.

Our final two witnesses represent Capital Commitment, a privately-funded project that trains people for skilled jobs in the telecommunications field. On the first day of these hearings, representatives from Bell Atlantic and Nortel testified about their participation in the program. Today, we will hear from the program's Executive Director and a representative from the third corporate partner, Lucent Technologies, Mr. Boykin and Ms. Eurick. Please come up. We want to get all the introductions over so we can get down to the questions because this is extremely important.

Ernest Boykin, Jr., founded the nonprofit Capital Commitment Project in 1991 with over 20 years of experience in the telecommunications industry. He has worked as Vice President for North American Communications and is director of G.T. Spring Communications here in Washington, DC. Mr. Boykin estimates that Capital Commitment has an $18 million annual positive impact on the local economy. I look forward to hearing from him.

Testifying with Mr. Boykin is Laurie Eurick, Director of Global Marketing for Lucent Technologies and a member of the Capital

Commitment Board. Ms. Eurick has been at Lucent for 20 years. In that time, she has created several new innovative and profitable programs that have enabled Lucent and its customers to become more involved with inner city minority and women-owned companies.

Before we proceed, I want to again thank Ms. Ackerman for being here. I notice that General Becton is here to at least give you moral support. I assume if I call upon him, he would be willing to participate, but I think that this morning we will concentrate on the most important part of the whole problem that we have in the city, and that is how do we build an educational system that is second to none.

Having seen and heard what you have done out in Seattle, and you are very proud of it, and we are so lucky that we were able to get you here. I do not care what anybody says about bonuses or anything else. If you are going to get the best in this country the way we are and somebody to come to take over a school system which has the results, anyway, academic results that are perhaps the worst in the country, that is a challenge. So I just want to say that we have gotten a real good deal for the District on your employment and I appreciate your coming.

Please give us a preview of what you intend to do for this city and its children.

STATEMENTS OF ARLENE ACKERMAN, DEPUTY SUPERINTENDENT, DISTRICT OF COLUMBIA PUBLIC SCHOOLS; ERNEST T. BOYKIN, JR., PRESIDENT AND CHIEF EXECUTIVE OFFICER, CAPITAL COMMITMENT INCORPORATED; LAURIE J. EURICK, DIRECTOR OF GLOBAL MARKETING, LUCENT TECHNOLOGIES; AND PATRICIA A. HARVEY, DIRECTOR OF URBAN EDUCATION AND SENIOR FELLOW, NATIONAL CENTER FOR EDUCATION AND THE ECONOMY

Ms. ACKERMAN. Thank you, Mr. Chairman. I want to begin by reiterating something that General Becton said yesterday, that we at the District of Columbia Public Schools are tremendously grateful to have you as an ally and an advocate in the U.S. Senate. Your long record of involvement in the Washington, DC Public School System is truly impressive.

In addition to your legislative efforts on our behalf, what some people may not know is your personal activities because they exemplify the kind of community involvement in our schools that we must generate across the city, because I really believe that it does take a village to raise a child. Through a wonderful reading program called "Everybody Wins", you read every week with a student at Brent Elementary School. In addition, you have convinced many of your colleagues in the Senate and the House of Representatives to do the same. As the first honorary chairperson of our new literacy program, "Everybody Reads", you have helped us kick off an effort to recruit a reading tutor for every District second grader who has tested below basic in reading on the Stanford 9.

Most recently, you brought together athletic equipment makers, health and fitness faculty from the American University, and members of our school health staff in the District and you brought us together in what will prove to be, I believe, a very important private and public partnership to give students across our District access to high-quality athletic equipment and fitness programming. This effort, called "Operation Fit Kids", will help our students train their bodies as well as their minds, and we thank you.

You have asked me to come today and to focus my testimony on academic achievement and more specifically on what we are doing in our DC Public Schools to end social promotion and to improve the skills of our students. Last month, we released the school-by-school results of the standardized tests in reading and math that were administered last spring. The results revealed that we are facing, indeed, an educational crisis in the District of Columbia Public Schools.

To begin the reversal of this decline in academic achievement, we must marshal all of our available resources and respond to the crisis in a highly focused manner. We must have high expectations for all of our children and we must refuse to tolerate complacency and our excuses from teachers, principals, and our central office administrators. We must convince people from across the entire community, our parents, our neighbors, and our corporate representatives, that they have a critical role to play in turning this system around.

When I arrived in the District a little less than 4 months ago, I immediately began revising an educational support plan for improving student achievement. That plan reflected a very clear vision to make Washington, DC Public Schools exemplary by the year 2000. Now, some people have told me that is an aggressive vision and unrealistic. I do not believe so. But I also came with a real clear mission, and we know to make that vision a reality we will have to make dramatic improvements in the achievement of all of our students.

This plan was framed by five core beliefs: That children are first, must come first in all that we do in this school system; that parents are our partners, we need them in this process; that the victory is in the classroom and that everything that we do must support the classroom teacher; that leadership and accountability are the keys to our success; and then last, that it does take a village to raise a child. This plan includes the following key components: Standards, accountability, safety net programs for our students who are at risk of nonpromotion, and public engagement.

We have developed learning goals for students and clear benchmarks by which to measure their progress. We also have identified the skills the students will need in reading, writing, and math on a grade-by-grade basis so that parents can easily evaluate their children's progress and we are training parents to use those guidelines, or putting in place training programs to help parents with the implementation of those guidelines and to monitor those guidelines as their students move through our system.

In fact, we recently published a newsletter for parents and in the first issue we focus on what parents should expect from their children in the areas of reading and writing. The next issue will focus on math, and I think I included this for your review.

We also are phasing in new standards for our high school students to end the practice of graduating our seniors who have accumulated the required number of Carnegie Units regardless of their skill level. Specifically, we will require this year's tenth graders who are reading below the basic level to pass a reading proficiency test before they graduate. Beginning with the school year 1998–99 ninth grade class, all students who move through the public school system will be required to have a 2.0 cumulative grade point average to graduate, in addition to the Carnegie Units earned.

Another key component in our education plan is accountability. This year, we will begin with the implementation of an annual performance review for all of our schools as well as a new principal evaluation. We have developed in the past few months an annual performance review for all schools which will include the following criteria: Achievement, and that will include looking at test scores, looking at drop-out data, attendance of our staff and our students, and then we will begin next year to look at writing samples of all of our students.

The other criteria that we are looking at for our annual school review are the school climate, which will include discipline; our market share, the number of parents who choose particular schools as their first choice. Those are indicators of school success, as well as school leadership. School leadership will be measured by staff and parent surveys. This spring, all of our parents and staff will be surveyed and we will receive these surveys and we will use the survey in looking at the success and performance of each of our schools. Schools will be given specific measurable targets for improvement and I have proposed that schools failing to meet these targets be considered for reconstitution.

Principals will be evaluated on similar criteria. This year, 50 percent of principals' evaluation will be based on the improvement of academic achievement. This sends a clear message to all that principals as their top priority have to be the focus on students performing better. The remainder of the principal evaluation will be based, again, on equal shares of school climate, parent and community involvement, fiscal management, staff management, and school leadership.

A new evaluation for teachers is currently under development and will be implemented next school year, also with a focus on improving student achievement.

We have implemented this year professional development for both principals and teachers, 100 hours of professional development for principals and four quarterly institutes for teachers, where we are focusing on not only instructional strategies that will improve the learning climate under the new standards that we are implementing this school year.

When we look at standards for students this year, promotion gates will be implemented for second, third, and eighth graders. Students who are not reading at the basic level at the second, third, and eighth grade and not performing at the basic level in math will not be promoted to the subsequent grade. Promotion decisions for all of our students will be based on comprehensive assessments, which will include teacher input as well as their grades and their reading and math test scores.

Now, we know that we cannot implement these stringent promotion requirements for students and not provide for them safety net activities. So in order to support our students in our schools, we are implementing a range of safety net activities. As you know, we have launched our literacy campaign, "Everybody Read", through which we hope to match every second grader who is reading below basic with a tutor. We are coordinating this effort with many groups around the city that already are working in our schools to improve literacy, including "Everybody Wins" and "DC Reads".

In fact, yesterday, when I left the hearing here, I went to a reading summit that the District sponsored and there at the Sumner School were over 150 people who have worked in a variety of literacy programs and the purpose of that summit was to share information and to develop strategies for our closer coordination of our reading effort.

In addition, we are requiring schools to report to us on student progress on a quarterly basis. We are also in the process of notifying all of our parents of students in danger of nonpromotion. All low-performing schools are implementing after-school tutorial programs and/or Saturday academy and are engaged in whole-school redesign programs that are, in fact, based on research-based reform models. We are also encouraging, in fact, all of our schools to explore these research-based reform models which we know work.

We are working to identify sufficient funding to offer summer school for all of our students who are performing below basic in reading and math, and with our first consideration being given to those students who are in our critical benchmark years. And finally, we are preparing to launch Operation SOS, Save our Students, an all-out offensive to improve student achievement.

We have ordered and have now in place additional test preparation materials for our teachers and our students, software to support our reading and math programs, computers. We have ordered computers for all of our second and third grade classrooms to support instructional technology. We started there because we want to focus on early intervention. Professional development for our staff on integrating technology into the teaching of reading and math and special training for our teachers and school counselors and principals on test preparation.

While we are focusing on our low-performing schools, we also are looking at how we can support our schools who are also showing us exemplary practices and those schools will also be recognized. Additional funds will be given to those schools and we will publish the exemplary practices so that they can be replicated.

Finally, we are trying to engage the public in this critical effort to reform our schools. As I have said, I truly believe that it takes a village to raise a child and we are trying to convince the entire Washington community to be involved in this. We are particularly spending a lot of our resources to engage our parents in this process. We will begin holding community forums in February to share information with parents about our new standards, about the new promotion requirements, and we have asked all of our citizens to join us in the literacy campaign.

I am pleased to report that in addition to the efforts of outreach to the community, over 100 of our central office staff are now volunteering in the schools to work with our second graders. So we are seeing this as not only an internal focus for literacy but an external one, too, and engaging everybody.

I want to give everybody else a chance to talk, but I also want to share with you, because we have heard a lot about what is wrong with our DC Public Schools and I want to make sure that everybody knows that we do have a very specific plan of how we are going to address these issues.

The CHAIRMAN. I think this is very important, so do not apologize. It will probably cut the questions down if you continue. Also, I think Ms. Norton and I, we are ready to stay here another couple of hours anyway. [Laughter.]

Please proceed.

Ms. ACKERMAN. As you can see, though, we are very focused on providing our students with core skills, especially literacy this year is where we are focusing. We must do this because the test scores have shown us that our students have substantial deficits in reading in particular. We know that unless our students are proficient readers, it is extremely difficult for them to succeed in other subjects.

We are also focusing our efforts, though, on the importance of school-to-work programs and technology training and we know that making school relevant to students is critical to keeping them engaged in the learning process and keeping them in school and that linking school to work is a highly effective way to do that. We see our new focus on school-to-work as a way of reforming our secondary schools.

In addition, we know that the metropolitan Washington economy is thriving and the reason employers have high-skilled, high-wage jobs to offer our graduates. I believe that my job is to make sure that our students leave our public schools with skills they need to make important postsecondary choices, whether it is entering college or going on into the world of work.

I would like to thank you again for the opportunity to testify today to share with you what we are doing, the progress that we are making, and I would be happy to answer questions at the end of the rest of our panel.

[The prepared statement of Ms. Ackerman follows:]

The CHAIRMAN. That is fine. I would like to get all the opening statements in.

Mr. Boykin?

STATEMENT OF ERNEST T. BOYKIN, JR.

Mr. BOYKIN. Good morning, Mr. Chairman. Good morning, Congresswoman Norton and Congressman Moran. I am sorry Congressman Davis left, but he had an opportunity to hear about us because he was our keynote speaker at our dinner 2 years ago.

My name is Ernest Boykin. I am President of Capital Commitment Incorporated. It is a nonprofit telecommunications training school located here in the District of Columbia which my wife, LaVerne, and I started back in the summer of 1991. I again thank you for convening these hearings to discuss the education and workforce development and technology in the District of Columbia. It is an issue that is very near and dear to my heart based on some of the things that we have devoted our lives to over the past 20-some-odd years, at this point. We greatly appreciate your attempt to bring positive changes to our community through these hearings and thank you for allowing us the opportunity to unveil probably the best-kept secret in Washington, DC, to a national audience.

Capital Commitment has been our attempt to fill a persistent void that we identified in an industry that has been claimed to have the highest growth potential, and that is telecommunications. The story has been of fairy tale proportions with no real monetary rewards to us but a great feeling when you go to bed at night knowing that you have helped to change someone else's life.

One day after holding a number of executive positions at MCI and Sprint, my wife, LaVerne, came home and advised me that we were quitting our jobs and we were now going into business for ourselves. It happened that we chose to enter the nonprofit arena because of the immediate impact it might generate in our community. You see, the telecommunications industry by all accounts represents a $900 billion a year industry with a workforce that is less than one percent minorities and women. This is where we chose to offer parochial training to the disadvantaged. That would include single parents, at-risk youth, the homeless, and anyone else that we can deem disadvantaged in the Washington metropolitan area.

The idea behind our thinking in getting into this industry was that if, in fact, the family structure could be better served by the parents working and creating a positive role model, then maybe the children could aspire to do something better in their lives.

Our first class was eight homeless men from right here on Capitol Hill, Holy Comforter-St. Cyprian Community Action Group. We not only trained them in the intricacies of telephone installation but also found them permanent jobs. Since that time, we have trained and graduated almost 600 residents of the Washington metropolitan area. Of those, 93 percent of them are now working in telecommunications careers with annual incomes averaging more than $25,000 a year. Despite the fact that we are probably the most successful welfare-to-work program in the District and maybe even in the country, we are not getting one dime from the District Government.

Consistent with our corporate backgrounds, we always felt that industry would be the most important factor in establishing our business. To do so, we sought our relationships with industry that would sustain and enable residents of our community as they entered the workforce. So it is no surprise that companies like Nortel, Bell Atlantic, Lucent have stepped up to support our efforts. It is not just a do-good scenario but more good business sense.

Most companies understand their obligation to be good corporate citizens and to invest in the things that help cities and communities to grow. The strength of most communities is in the quality of its workforce. The people in this area possess the innate skills but lack the opportunities. We realize that even in a small, underfunded nonprofit like Capital Commitment, we cannot begin to address the many ills in transitioning the masses from welfare to work or even enabling the many who need assistance in finding employment. These public-private partnerships must be formed to address the many needs of this community.

To me, a public-private partnership is one that establishes relationships that utilize the strength of all involved, that the Government offers the funding assistance on one end, the nonprofits and community-based organizations are available for screening and for service delivery, and the private sector, their responsibility is to actually provide the employment opportunities.

We work in concert with other community-based organizations to provide all the necessary outreach services, like the Anacostia United Planning Organization for Emergency Food and Shelter, the Concerned Citizens for Alcohol and Drug Assistance, and Covenant House. The idea is that each of these social service providers has their own area of expertise and should be fully utilized to fulfill its mission, not be forced to compete for the same dollar from a dwindling pot.

We are more than happy when one of our graduates is able to purchase a home, get married, get back together with their families and children. These are positive results that when there is a stable home environment predicated on a solid career foundation, anything can happen. This is a dream that transcends all racial, economic, and territorial boundaries, so I feel comfortable with that being the case of some of our graduates.

We actively seek a partnership with the DC Public Schools to help foster career and technical training and guidance. Sometimes maybe an outsider can breathe a little breath of fresh air into the process and make things a little bit better, so we are hoping that with some of the modifications and changes that are taking place within the structure of the public schools, that maybe there are some things that we have learned from our experiences out there that we can pull some of this together.

Programs like ours need funding for educational remediation, the life skills technical training. These are some of the key elements that we have found that really are the positive things to make things go. We found that the life skills component of our training is probably the most important, even more important than the technical aspects. The reason for this is that young people are simply not bringing all the necessary attributes to the workplace to realistically gain and retain employment in today's competitive society.

We have to take time to establish a new discipline in the individuals relative to punctuality, to consequences, and work ethic. We find in our life skills that sometimes we have to do things a little differently, so as a result, we find it necessary to visit museums, libraries, even cemeteries in a way to show how they are going to fit into this whole societal picture.

The life skills component consists of math and language remediation to help basically in test taking. We also have public speaking, conflict resolution, and critical thinking. These are all tools necessary to make sure that the people are successful. Unfortunately, the skills that do not seem to be mastered in early life could spell doom later on in their careers, because if they are not ready, they are just not going to be, especially when the jobs they are competing for are in other jurisdictions that place an emphasis on this type of structure in primary learning.

Vocational education and vocational schools as we have known them are gone. They taught us patience, discipline and a skill. To some, they even taught us a hobby or an alternative way of life. We probably need to bring them back, but not the way we have traditionally known them. Academics are extremely important, but the technique must be modified for today's learning climate. Also, training must be directed toward specific skill sets to address what the needs of industry are.

My biggest concern is that work first with the present welfare reform legislation is going to be a bring problem for us. The statute, as I understand it, says the recipients no longer will be permitted to simply attend training programs to fulfill their obligations. In it, they must devote 20 hours per week to some type of work experience. How can you be in training for six hours a day, then run off to a part-time job in order to keep your subsidy? Most feel that they cannot work a job and attend training. The work schedules often do not permit them to do both. Homework and study schedules will not permit both. So effectively, training organizations like mine who stress academic and skills foundations are forced out of business.

We took a look at our first 500 graduates, some of whom, I am proud to say, are sitting right here, for the record, and are earning in excess of over $50,000 a year. Of those first 500, 78 percent, or 379 of them, were receiving some form of public assistance and an average of about $15,000 a year in Government payments. That equated to $$5.6 million in taxpayer dollars.

These same graduates are now earning an average of $25,000 per year, lend $9.5 million to the local economy or $15 million when you consider that they no longer need public assistance. You are right, Ms. Norton. We need to stress the importance of retaining in the District these jobs so that these people can contribute to the tax base.

I invite you all to visit our facility within the next month. Ms. Norton, as you might realize, as our delegate, we would be particularly happy to have you out there. We have had a few of the people from Congress. We have had Larry Ervin from the NTIA. We have had our council people over there. When we get you, we have gotten it all, then.

I strongly recommend and encourage other companies to follow the lead of Bell Atlantic, Lucent, and Nortel in supporting our efforts in the community to ensure the success of our residents. We also need help from the District. We have relied exclusively on the resources of our particular supporters in this particular endeavor and we need help to get to where we need to be. Corporations work with us because they are good corporate citizens and because it is the right thing to do. They cannot continue to shoulder the entire welfare burden when they finance, recruit, and hire from programs like ours. Government must be held accountable to step up and do their part. For organizations like ours, it is to help to identify and provide funding.

Please, I would be happy to answer any questions and definitely solicit your help in trying to help us to find the funding that would enable us to continue to do the things that we have been trying to do successfully thus far.

The CHAIRMAN. Thank you very much.

[The prepared statement of Mr. Boykin follows:]

The **CHAIRMAN**. I first want to welcome Congressman Moran back to us. It is very helpful to have you coming in and we are pleased to have you here today.

Mr. **MORAN**. Thank you, Senator.

The **CHAIRMAN**. Ms. Eurick?

STATEMENT OF LAURIE J. EURICK

Ms. **EURICK**. Thank you, Mr. Chairman and other members of the committee. My name is Laurie Eurick and I am with Lucent Technologies. I am Director of the Minority and Women-Owned Business Enterprise Programs. I am also a board member on Capital Commitment here in the Washington, DC, area.

Today, I am pleased to have the opportunity to share with you information on what I believe has been a model relationship between the private industry and a not-for-profit workforce development organization. I will go through a little of what we have done, a little of what we are doing, and then share with you some suggestions on how we might work together in the future.

First, however, I would like to share with you a little of Lucent Technologies' experience with educational workforce development and business development programs for minority and women communities over the years. Lucent Technologies, through Bell Laboratories and our philanthropic foundation, has for many years sponsored undergraduate scholarships and graduate fellowships to help minority and women students obtain postsecondary degrees.

The students that have come through these programs have been, without question, among not only the best and brightest of the segments of society they come from, but also of American society as a whole. These students have gone on to make a tremendous contribution to society as scientists and engineers, educators, entrepreneurs, and public servants and many of them today are very strong contributors in our Lucent Technologies workforce. The students we have supported come from a broad range of socio-economic spectrum, but a common thread among them all was that they were bright, gifted students and were only in need of financial support and mentorship that a high-technology company like ours could offer.

On another front, Lucent has for 30 years managed a program for minority and women business enterprises. This program focuses on increasing the amount of the value of products and services that we procure from MWBE-owned businesses annually. Our program continues to grow in actual dollars and as a percentage of our overall procurement budget. In 1997, Lucent Technologies purchased more than $900 million of goods and services from minority and women-owned suppliers.

We continue to focus on this area and believe that this type of program is beneficial to both Lucent Technologies, to the communities in which we live and work, and it is an important segment of our customer base. We are very proud of our heritage and our successes in working with the community and with minority and women-owned businesses as part of our overall corporate strategy.

However, we stepped up a new level. With the help of our customers and our employees, we continue to explore ways in which we can include community involvement in our business strategies.

For example, in 1997, we conducted extensive market research to better understand how customers view community involvement and its importance to their buying decisions. The results have lead us to explore expanding ways that we can include more community involvement in our overall business strategies.

Our research showed that customers believe that it is favorable for companies to be seen in their local communities and seen employing from their local communities. It was notable to us that the response was consistently positive for all demographic groups, irrespective of ethnicity or socio-economic level.

At Lucent, we have engaged some of our large corporate customers like Bell Atlantic and others to add more community involvement to our already successful MWBE program. We continue to explore other inclusive initiatives, like Capital Commitment, and programs in empowerment zones and enterprise zones and especially community development centers.

It is our work with Capital Commitment that I would like to highlight today. Lucent has been working with this organization since 1995. We have contributed cash, equipment, and volunteer resources in providing the training programs on the communications systems and installation and maintenance. In return, Capital Commitment has provided Lucent with many skilled candidates for our telecommunications technician positions. Capital Commitment's results, as Ernie just reported, speak for themselves, a 98 percent placement rate with an excellent retention record in its first 6 years of existence. The relationship has been beneficial for Lucent and, I believe, beneficial to the community, but most importantly, in short, it makes good business sense.

Mr. Chairman, we are pleased that you and your committee have chosen to examine how organizations like Capital Commitment can be successful. Clearly, one of the important sectors is access to resources needed to provide the quality of training necessary to qualify students for highly-skilled and well-paid jobs in telecommunications. We at Lucent hope this committee will explore ways of expanding the amount of resources that can be made available from both the private and public sectors.

The need for training and workforce development in the District of Columbia and across America continues to be and far exceeds the resources that corporations and community-based organizations can commit to on their own. The following are some areas where additional resources would be useful.

We are looking at funding for distance learning centers that could be networked together to bring access to scarce training resources to local communities and community-based organizations.

Increasing the amount of capital equipment that can be used for training purposes. Good quality training programs in high-technology industries can be capital intensive. This is certainly true in the field of telecommunications. Just as Lucent Technologies has moved retired equipment to organizations like Capital Commitment for training purposes, government agencies could do likewise when they upgrade their existing telecommunications facilities.

Increasing the amount of corporate tax credits and other incentives that would make it less difficult for companies to contribute resources into community action programs.

Finally, today, at a national level, these kinds of workforce development programs can be looked upon as a collection of independent experiments without the benefit of any formal coordination or collaboration. It appears to us that both the public and private sectors could be more efficiently using their collective resources if there was a national, industry-specific, strategy or plan for addressing education and workforce development in economically disadvantaged communities.

Developing such plans would, among other things, facilitate the sharing of information about this and other successful programs. It would allow us to better understand not only what has worked well and what has not worked well in some communities but understand why some programs succeed and others fail. Knowing this, we could find ways to create networks of community-based programs supported by public and private sectors and that could achieve maximum benefit at minimum cost.

Our collective goal should be to improve the efficiency and effectiveness of how we use collective resources. After all, those resources come from the pockets of the American public either as taxpayers and as corporate shareholders.

We at Lucent are very encouraged by the work we have been doing with Capital Commitment. We hope sharing this information about our experience will lead others to support programs such as this one, and that with a better partnership with government we can duplicate the successes of Capital Commitment elsewhere.

Thank you for this opportunity to share our views with the committee and we wish you the greatest success in your efforts.

The CHAIRMAN. Thank you very much for an excellent statement.

[The prepared statement of Ms. Eurick follows:]

The CHAIRMAN. Ms. Harvey, we are pleased to have you here.

STATEMENT OF PATRICIA A. HARVEY

Ms. HARVEY. Thank you. Good morning, Senator Jeffords and Congresswoman Norton. Thank you very much for the opportunity to share in this very important discussion. As said earlier, my name is Pat Harvey and I spent almost 30 years working with children who are at risk. I have taught them. I have been a principal of a school in one of the most impoverished areas in the City of Chicago. I have held numerous district-level administrative offices, including the Chief Accountability Officer on Chicago's current management team. I am now a senior fellow at the National Center on Education and the Economy and working with the District of Columbia and other urban school districts across the country.

If there is one thing I know, it is that all but the most severely handicapped children, when provided with an effective instructional program and opportunities to learn do, in fact, learn at high levels.

My remarks today will be focused on five key elements to raise student achievement with students at risk. First, it sounds simple, but it all begins with standards. Performance standards make it clear what kind of student work will meet the standards, provide clear guidance to teachers as to what they should teach, and tell students what they should learn and be able to do. Standards should also drive every other aspect of the educational program and should be followed by a coherent, powerful curriculum and matched assessments. Too often, this is not true in schools that serve large numbers of students at risk.

Again, as Ms. Ackerman said, you focus on literacy first. Reading is the basis of all learning. If students cannot read, then they cannot do much else. We need to begin working with students at risk as early as possible, getting them into schools or bringing school-related activities to them. A number of programs in various cities are making excellent progress using this as a strategy.

We must organize our schools to first focus on literacy. It is easier not to let kids fall behind than it is to catch them up. A strong phonics-based program with reduced class size in the early years, adequately-trained teachers, and extended learning time provided just in time, and that is the key, will help to ensure that at-risk students get off to a good start in school.

The third one is using acceleration instead of remediation. One of the biggest mistakes educators make is choosing to remediate instead of accelerate. In remediation, educators determine the students' instructional level and then put groups of students on similar levels together in tracks. Then teachers use instructional materials that in many cases can be as much as three or 4 years below the child's grade level.

Then teachers begin instruction on page one of a textbook and go right through to the end. Our curriculum and textbooks are a mile wide and an inch deep, so what happens is that students who start out behind or in some way fall behind are never provided the opportunities to scale up or to catch up with their counterparts.

Dr. Wilbur Brookover, author of Creating Effective Schools, says, "Why are we continually surprised that when we teach sixth graders at the third grade level that they score ready for fourth grade level at the end of the year? They learned what we taught." We know that in order for at-risk children to make up for the gaps in their learning, we must provide high-level instruction that is focused on core curriculum essentials and provides opportunity to scale up in the shortest possible time to where we would like for them to be. Many schools across this country that we see that are making great strides in achievement with at-risk students are using acceleration.

You have to invest in professional development. Education, like every other field, is changing daily, both in terms of content and methodology. The one thing we know, that if this Nation is to remain competitive with the rest of the world, our teachers must have the kind of training that it takes to prepare our kids for the future. The investment in our educators' professional development is not a luxury, it is definitely a necessity.

To be effective, professional development needs to be focused, it needs to be connected to school goals, and it needs to be ongoing. Training that involves introducing new skills, new teaching methods, should include opportunities for teachers to see the skill practiced and to provide some kind of follow-up assistance once the practice begins.

America is not investing enough time or money in professional development. The issue of time for teacher training has many dimensions to it. One problem is that all but a very few minutes of the regular work day is spent providing direct services to students, including time both before school and after school for many of the activities that Ms. Ackerman mentioned earlier. So finding time for training is very difficult.

Scheduling training outside of the workday usually presents another problem, and that is sometimes those that need it the most do not attend because it is voluntary. The number of hours in the workday and in the work year needs to be increased to allow more common planning time and time for training.

Finally, we have to hold everyone accountable for performance. Begin with the students themselves, include everyone up and down the line. All of us must be held accountable for students' results. The recent improvement in Chicago's schools shows that when people know that they are going to be held accountable, then they will move heaven and earth to make it happen.

I have a friend who tells her students every year she only gives As and Bs. She does not mean that she is going to dumb-down the program, just the opposite. She means that she will bring all of her students, willingly or kicking and screaming, to high levels of achievement. She provides high-level students activities that engage kids in solving real problems and completing meaningful projects. She works with students before and after school. She visits the homes of her students and she gets parents involved. She is relentless.

Educators across the country are wrestling with the complex task of building effective accountability systems. The National Center on Education is helping many of them reach that goal. I would like to enter into the record, and I believe your staff has it, two papers written by Marc Tucker and Judy Codding, who head the National Center's work. It explains our views on standards and accountability.

[The materials of Ms. Harvey follow:]

Ms. HARVEY. For us, again, it begins with a strong, effective standards-based program; deciding on the indicators and the measures of progress that will be used to drive the incentive program; then to develop an incentive program that has two parts, one, a system of rewards and consequences for students, and then the second part of that is a system of rewards and consequences for faculty and all district staff who contribute to the improved student performance; creating a resource allocation system that will align the control over the resources with accountability for results. Other than that, what we are doing is putting all of the accountability on one set of people. And then finally, to create an organizational structure for accountability in which everyone knows what he or she is responsible for and how that contributes to achievement.

In closing, what works with at-risk students is starting early, focusing on literacy, using acceleration instead of remediation, providing ongoing staff development, and developing a system of accountability.

Thank you again for this opportunity to share in this discussion.

The CHAIRMAN. Thank you.

[The prepared statement of Ms. Harvey follows:]

The CHAIRMAN. Thank you all for your testimony. We are dealing here with the most important problems facing this Nation and the future of our Nation depends upon our ability to utilize your resources, other resources to see what we can do to turn the country around. We have established goals and we are supposed to have it done by the year 2000. I am on the goals panel. I have watched for the years I have been on it to find that we made little or no improvement over those years and we only have a couple of years left.

That is the national perspective, but it gets down to the local level and I think what I want to do right now is to talk about problems all of you are involved with and then, Ms. Ackerman, I will go back to you, if that is all right, and get into more detail on the DC system.

Right now, it seems to me that the critical question you are going to have this year, and I think Ms. Harvey has perhaps dealt with also and you probably dealt with in Seattle, and that is, let us take the most bizarre example. You have got your tenth graders with 80 or 90 percent of them below proficiency in math. You probably have 11th graders in a similar situation and 12th graders in a similar situation, to say nothing all the way down the line. We have one summer supposedly to try and pull this all together.

Now, that obviously is a challenge that is not going to result in results, but how do you deal with it? The question has been raised of professional development, remedial help, all of these things. What is your capacity? What kind of resources do you have? Who can you borrow from, beg from, or whatever to meet that challenge for this summer? Let us just take a look at this summer and remind everybody what you have said, and that is no more social promotion. These kids, when they reach graduation, are going to know something or they are not going to graduate.

Ms. ACKERMAN. What we have had to do is a realignment of our budget. If you put student achievement at the center of what we are all about in this District, the first thing we had to do was to—and we put in these new promotion policies and clear standards—we had to realign our budget to look at where we were spending money and then to begin to move it into areas to support these initiatives.

That was the first thing we had to do. So we have done that. We are putting reading specialists in our elementary schools and all of our low-performing schools. We are getting them the kind of support they need with providing reading specialists this year. In fact, in our low-performing schools, they now all have reading teachers to support the next 6 months, as we look at from now to June.

We have had to look at professional development. It was one of the first things I did when I came in, is to say what kind of professional development are we providing for our staff. Do they have a common curriculum? So putting in those standards and now then supporting that standard with a curriculum, common curriculum, is something else that we have had to do, and we have not had a lot of time.

Many of the other school districts across the country, they have had what I call the luxury of time and what I now appreciate like I have never appreciated before. But I think we have had to try to quickly, to put on a fast track in DC all of those things, all of those sort of undergirding support systems that need to be there. We are trying to do that very quickly, let parents know about the standards, give them the information so they can support us at home, let teachers know, to realign our budget, to move the moneys from one department to the other. You know, there are limited resources and when there are limited resources, then you have to make a decision about priorities.

The CHAIRMAN. Let me just suggest that if you need more resources, you have got to ask.

Ms. ACKERMAN. We have asked. You know, I need to say that we——

The CHAIRMAN. I mean the Congress, as well. You can ask the Control Board, but I want you to let me know, or General Becton or whoever, whether you are going to have those resources. Now, it is my understanding your plan is to, by June, to reassess and to see what improvements have been made and then for those who do not reach the proficiencies necessary, hopefully, through the summer. When will you reassess them again?

Ms. ACKERMAN. In April. In April, we will look at——

The CHAIRMAN. The following year? This would be April of 1999?

Ms. ACKERMAN. I am sorry.

The CHAIRMAN. You are going to assess them toward the end of this school year, in the spring?

Ms. ACKERMAN. Yes.

The CHAIRMAN. And those that fail are not going to be promoted unless during the summer they reach proficiency?

Ms. ACKERMAN. Right. We are setting in place a massive summer school. We project that approximately 20,000 of our students will be in summer school this year and we have a very specific targeted curriculum for students to support them. We will then administer a diagnostic test in the fall and then again in the spring. So we are now looking at two times that we are testing students, one in the fall to see where they are when they start the school year and then one to measure their growth.

But our summer school this year will be—we are projecting large numbers of students who will be in summer school, engaged in summer school so that we can begin to provide additional support for them for developing and improving these skills in reading and math.

The CHAIRMAN. We have some 70,000 students.

Ms. ACKERMAN. Right.

The CHAIRMAN. Are you being overly optimistic to think that from the studies that you have had that there will be 50,000 that will not need help?

Ms. ACKERMAN. Fifty-thousand students who will need—no, 20,000 students who will be in danger of nonpromotion. That is not to include the other subject areas, but we are looking now at reading and math. There will be approximately 20,000 of our students who will be in danger in these benchmark years of three, five, and eight and the second grade who will be in danger, and then we have all of the students who are in all the other grades.

The CHAIRMAN. How are you going to provide the professional development necessary for the summer school as well as for the teachers that are presently teaching and they are coming out with levels well below where they should be?

Ms. ACKERMAN. We have done a variety of things. We have implemented four professional development institutes and these are one-week institutes for teachers with focus on content and standards, which focus on the new standards, the instructional strategies, classroom management, and specifically on literacy. Those are the sort of themes of the institute.

In addition to that, we have put in place and identified in each of our schools a teacher liaison, a master teacher who works with our curriculum office, who works with Pat and the new standards program and those people are responsible for like the day-to-day support for teachers. We provide for them monthly sessions in professional development.

So we are having to do this very quickly and to scale it out very quickly. But professional development has been a clear area where we are in need of major support and where we are realigning our budget to support it at the school level as well as at the principal level.

The CHAIRMAN. It is such a daunting challenge you have. I am nervous for you, that we raise expectations and do not deliver. This city, as you have already seen, can be very vicious when they find something that they are concerned about and have any problems with it. That is something you are learning quickly and the rest of us that have been here longer expect to happen. But there is so little confidence, so little faith after all these years that anything can or will be done. We are going to have to be very careful. If you are in trouble, if you have any problems, if it looks like you do not have the resources you need, I want to make sure you let us know.

Ms. ACKERMAN. We have clearly identified—I mean, you start with your budget and you start with a realignment of that. We have identified clearly that we are in need of additional funds. We are working very closely now with the Department of Education and have clearly sort of stated what our plan looks like and the support that can be given to us from the Department.

I think we have been real clear that this is a daunting task and it is certainly going to be a challenge. Do I think it can be done? I do, and I think it is around those areas that Ms. Harvey talked about that we are really trying to focus on right now, accountability and a clear process of standards and everybody is clear about what those standards are, and then holding people accountable for moving forward, the adults in this system, as well as the students.

The CHAIRMAN. Let me show you how skeptical my members are and people of the District of Columbia. General Becton testified yesterday that we are confident of the number of students we have. You heard Ms. Norton kind of question that. Members afterwards talked with me and said that cannot be true because, and they gave me all the reasons. How are we going to convince them of how many kids you have in the schools? That does not seem like a huge problem to solve.

Let me give you a little anecdotal information from my own travels 1 year around to the schools with a, I think she was chairman or the head of the student council or something. She said to me, "You would be amazed how many people that are in my class who do not live in the District of Columbia." I said, "What?" and she told me. That is one possibility we have, that we may have a lot more kids that come to work in the car with the people who live outside and they drop the kids off and they pick them up. I do not know. If they look at the demographics going down and then the school numbers staying up, it should not take too much. I do not know how we do it, but it seems to me if you just send 180 people out and counted the kids in school, you would—I do not know, but I just want to warn you, that is one, because that gets into the serious problem of saying, well, you have a lot more money than you need.

That average expenditure all depends on how many kids you have and that is one of the toughest ones I have to deal with with our members, is they still have that feeling that you have so much money over there that you do not know what to do with it and it is all wasted. I will just warn you on that, so I hope we can do something about that.

Ms. ACKERMAN. We have an auditable count, so we are going to have an audit on our count. We also, though, recently implemented a new residency requirement, so I am hopeful that that will begin to address some of the issues related to who is really in our school system and how do we know and are there checks and balances for that.

Again, I am fairly new to this system and there are some other issues, I would like to say, around technology. I have a basis for comparison and one of the things that I have been very surprised about is the fact that we lack a basic infrastructure for management information systems, student information systems, things that in other school systems are there and they are not here. These are the things that help you with the count of your students, that help a school system be really clear about how many students they have. Those kind of systems are not in place and so you are trying to do in an age of technology what we did 20 years ago in some of the other school districts across the country.

The CHAIRMAN. No, I understand that, and I just want to make sure we get the resources to you to do that. Obviously, a computer can handle 77,000 names and addresses and everything else, and I know, working before with the City of New York, they were grappling with that problem two or 3 years ago because they did not know how many students they had, they did not know where they were, and they had mobility factors as high as 98 percent. They have got that under control, I know. You know what has to be done and I just want to sure you get the resources to do it.

Ms. ACKERMAN. That is true.

The CHAIRMAN. Now let me turn to the whole panel. How do you work with Ms. Ackerman and the school system to be able to help out? What kind of coordination or information do we need to have what is sort of referred to in other areas as a seamless system of education, where everybody works together and knows what each other is doing and helps work with each other?

Mr. BOYKIN. Again, remember it is a new day, so consequently, there is a whole new structure in the school system as well as even some of the things that we have had to do. We originally had a relationship or partnership with the DC Public Schools at Ballou, and in so doing we were able to trade off a lot of the we were doing in their adult education program, in training, placing, and actually working together in curriculum development and counseling.

We would like to rekindle a similar type of relationship with the public schools today, probably on a little different level, probably to generate something on the, I guess, tenth or 11th grade or even the 12th grade to prepare them for that school-to-work type of environment, because right now, there is nothing that prepares anyone to be able to hit the ground running, to do a transition from a school environment to a work environment and that goes even on a college level.

The CHAIRMAN. Ms. Eurick?

Ms. EURICK. Similar comments. Within Lucent Technologies, we have several programs that are anticipating disadvantaged youngsters into our Lucent workforce. One of the programs that comes to mind is called "Inroads". So I encourage the District school system to work with the companies that are located in the area or similar efforts to kind of "Work First". We take high school students. We target them early in their high school years and work with them during the summers and other things on some of the life skills, and so it is a partnership between the school systems and the corporations, so I would encourage that and be happy to work on that.

The CHAIRMAN. Ms. Harvey, your testimony highlights three key areas, literacy, standards, and professional development. In regard to professional development, do you have suggestions on how we can get business involved, such as providing teacher internships or whatever to try and get these standards up and get the professionalism in there to deal with that?

Ms. HARVEY. Yes. Before I do that, if it is all right, I would like to address working with the District. Let me say that it is really quite easy to work with the District of Columbia schools, especially because they have such strong leadership. So when Ms. Ackerman came to the city, we were right in sync with one another. Our goal is to support the education plans that they put in place and work with them and feather out to make it happen as quickly as possible.

One of the issues that she brought up, of course, all of us in education see the same thing. So many, many pieces of the puzzle were missing. So she has just been inundated, filling in those pieces.

What we are doing to support the District primarily in these first stages is that we are working with all of their schools, all of the principals, and in each and every school in the District as well as a core group of standards specialists in each school, and then they return to their schools and work with the staff. First level, make sure that everybody knows what needs to be taught, how it should be taught, and what kids are supposed to learn. So while the District has been putting together their system-wide plan, we have been doing that.

Now, in terms of partnerships and people working with the schools, it is going to take everyone, and fortunately, in the District, you have people who are from everyplace in the world. So when you have a social studies program, would it not be wonderful to have all these embassies working with kids and with schools and helping to support learning that they, of course, would be the primary people to be able to do.

When we talk about technology and the infrastructure to support the accountability work that we are going to do with them, we are going to need to have the resources of this community to help make up for many, many, many years of neglect in the school district.

Partnerships are key in Ms. Ackerman's reading program, as you find tutors and you find people to help support literacy in schools. All of us, every one of us can play a role in that. Imagine a reading program where our bookstores are also involved in helping literacy get into the homes of kids at risk. So those are just some tiny examples of what can be done.

The CHAIRMAN. Let me go to standards. This is a very national topic, and here, we have to develop standards for the District. We know that the math standards have to be changed in the Nation in order to get us up to be competitive internationally. How do you take a situation like you have in the District, where you are way behind in present math standards, and how do you at the same time you are trying to get them up to the present math standards impose a new level and goals for math that is taken in particular so that everybody has algebra by the eighth grade or whatever your standard may be?

How is it possible to coordinate all of this? What kind of professional development does it take, first to get the level of the teachers up to the scale where you need them, and second, how to get the students eased up when they are down below the present standards?

Ms. HARVEY. One of the things you have to do is to have a focused program. The mistake that many people do is to tinker around on the sides, to work with a few principals, a few schools. What the District has said is here are the standards. They are high level. We know that they are. We have our own standards. But we have also benchmarked with the best in the country, which is also benchmarked with the best in the world, and this is what we want all of our kids to be able to do, not 10 years from now, but we are beginning to work on it now.

Now, in order to make that happen, we are looking at what each one of our teachers will need to teach the standards and what our kids will need. Our teachers will need instructional materials. They are going to need support in learning how to introduce these skills to kids. Then they are also going to need some support as they begin to practice the teaching of them in their classrooms.

Our students are going to need additional time, and as Ms. Ackerman said, they have got this massive additional time strategy in place for them. There is one thing about kids. When you set the standards high and you fill in all of the opportunity to learn pieces, then even though kids start out low, and granted, it will take them time, they will get to the standards. So the professional development program has to be in all schools and it has to be continuous and it has to be focused and it has to be supported with the District's resources.

The CHAIRMAN. What help can we get from, or what do we need to do to get it, from the Departments of Education and the schools of education? In my rough appraisal from the ones I have looked into, they are in another world. They still are disconnected with reality as to what needs to be done in order to face the challenges the country has. Is that an unfair statement, or how do you feel, Ms. Ackerman or Ms. Harvey?

Ms. ACKERMAN. No. I really think that some of these issues are really rooted in our teacher preparation programs and we have got to reach out to and form partnerships with our institutions of higher learning so they are involved in this process, also. I think it is really important that this school reform is not an isolated business. It touches upon from the time children are preschool all the way through the institutions of higher learning and the workplace and everybody has got to be involved, and those who train our teachers must be involved in the setting of the standards and the development of the curriculum and I think that is really important, that we begin to form those kinds of relationships that bring everybody involved into this K-12 or K-20 articulation process.

Ms. HARVEY. Just to add to that a little bit, and this is something I have heard Arlene say a number of times and certainly I agree with her, the participation has to be organized. What happens in most school districts is that you have not enough help—the problem is not enough help, the problem is too much help and it is all not organized. For every program, for every opportunity that you bring into a school district, it takes time, and as I said in my testimony, there is very few minutes of the workday that is not spent working directly with kids.

So if a friend wants to support, if it is not in sync with the plans that the District has put in place, then that support now is not friendly. It may be a good thing, but a little bit too much. So all of it has to be lined up to support the educational plan that they put in place.

Ms. ACKERMAN. Senator, one of the things that I wanted to share was, one of the things I was really impressed with was that K-12 or that K-20 alliance. All of the universities in the Long Beach area, they were there at the table with the school district developing the content area standards and the curriculum so that there was a clear transitional process for students as they left the school—before they leave the system, but then after they leave the system, this process is still in place to help students with sort of an easy transition into the postsecondary experiences that they have in the various community colleges and four-year colleges.

I was really impressed with that and I know that that those kinds of programs are in place in other school districts. I would love to see that happen in this area as we look at sort of regional alliances.

The CHAIRMAN. I am dedicated to help you with that and have already started working in that area.

Let me get into an area that is more relevant to Mr. Boykin and Ms. Eurick and that is adult education and coordination. You have a wonderful pamphlet that you hand to the parents, but unfortunately, there is a large percentage of the parents that cannot read. I think there is a little over $1 million available for adult education. We have our various reading programs and things and we have what is called Even Start, which is a Head Start type thing. I think you had about a half-a-million there, wherein we try, at least in the Head Start programs, to get the parents involved so that they learn to read and that is Congressman Goodling's program.

So he and I agree on at least two areas and one of them is we have got to think about the parents as well as the kids because if the parents cannot read, the kids get discouraged going home when a lot of parents are just threatened by having their kids learn to read because they do not know how to read and those kinds of problems.

How do we try and coordinate these resources that are available so that we help the parents as well as the students? Mr. Boykin or Ms. Eurick, how do you work in those areas? What sort of resources do you have available to help you?

Mr. BOYKIN. You keep hitting on the magic word, resources. We have none. The thing about it is I think that conceptually, we have found ways to address it. What happens is, primarily with our life skills component, it is always a situation in which you find that there has to be something that can move an individual from one level, one socio-economic level to another, and oftentimes in test preparation and things of that sort, we have to look at what tests are for or the foundation of tests and the rationale for, and my understanding or belief for tests is that it creates a benchmark or a standard or something that we know and we can gauge from there where an individual is and then try to bring them to another level or to bring them up.

So what we have tried to do is to incorporate in our entire teaching process, and again, we are looking at probably an average age across the board of about 28 years old is the individual moving through the program. We have people from 17 up through 74 that we have had come through our program. In so doing, it has created or at least identified or exposed some of the problems that are confronting some of the individuals.

They need to know how to take tests, and in so doing we have had a remediation program that is available to everyone, so consequently it is not singling out an individual to say that you do or do not have a specific talent or specific skill. Unfortunately, some of us who have not had a math class last week cannot do percentages properly in terms of a business perspective, or fractions or some of the other things. So as a result, there is that constant ability to refresh and that is one of the things we have to consistently put forward as a part of our program, that refreshment so that every individual can do whatever is necessary, from a business math or actually a language perspective.

The CHAIRMAN. Ms. Eurick?

Ms. EURICK. I would like to make a comment that I think actually goes kind of back to the discussion that Ms. Harvey and Ms. Ackerman are having and build on to Mr. Boykin's comment.

Listening to this as a business woman and not as an educator, I find some commonalities in the discipline. If I listen to this from almost a competitive standpoint, if we as a company were falling behind in a particular technology or area, what would we do to muster up those resources to leapfrog, because that is kind of what I heard the challenge was, to leapfrog past that. I began, sort of sitting here and listening to the discussion, thinking about what we do and I am not so sure that there is not something that at least maybe some thoughts or whatever.

But we engage on a mission that everybody understands, from the lowest person in the organization to the highest person in the organization, and some very simplistic, almost, marking things. I mean, we hang pictures, "We will beat the next guy," or whatever that number is, you know, charts and budgets and things like that.

So if the children know what they are going after, to the middle managers in the educational structure to the top legislators that require it, I think if everybody was on some common theme that that is what the mission is, I think that there is actually some cross-discipline that can be learned there.

When I think of adult education, your second question, and I think of the knowledge I have of what Mr. Boykin and Capital Commitment do, I think about strengths. I mean, it is the same kind of business strategy. You would want to lead with your strength in whatever you were doing and I believe it was Congressman Davis who had said earlier in the session that telecommunications is not a strength of DC, and I actually believe it is.

I believe, based on the things that I have seen in the year that I have been working on community involvement, is that Capital Commitment and the 600 students it has gotten through the telecommunications program is by far better than anything else happening in the United States in this area. There is a particular emphasis, I would have to say, to take this and try to model it out.

So I think that leading with the strength of what Capital Commitment can offer as far as adult education and getting the folks through, we as a company will look for those types of companies to help us with adult education and getting the workforce ready for us to hire.

The CHAIRMAN. At Capital Commitment, you take care of individuals and training and all. When they sort of graduate or whatever the term is and the circumstances, do they get some form of skills certificates or something that says, hey, I did this and I know this?

Mr. BOYKIN. Yes. What we have done is we have gone—it would be wonderful to have this major blessing and Capital Commitment said that you are this, that, or the other. However, because of the fact that we were new in our foundation and everything else, we had to come up with some commonality. So what we did, we went to the industry, to the manufacturers, like the Lucents, the Nortels, the Sanbars, some of the others, so the equipment manufacturers were actually the ones who were providing certification and so that certification would have validity no matter where in the world they went. If they were in a foreign country as opposed to domestically here, it had validity and had strength. It could carry through.

That same certification standard has now been taken on by some of the other folks that we have helped to write curriculum for. For example, like the Building Industry Consulting Services International, the BICSI Group, which pretty much sets the standards in telecommunications for various forms of horizontal cabling and wiring, and so in so doing, they have now adopted most of our curriculum for the things that they do, so the standard is pretty much synonymous with what we do and what they offer.

The CHAIRMAN. I know we are trying to create national skills standards, SCANS, and all these things. I have seen little utilization of those, although I got my first indication from it out in Long Beach that somebody, at least, was using them. But the most critical problem the Nation has in my mind is not the college-bound and maybe not the special education kids. I think we have some pretty good direction there. But it is the noncollege-bound and how you make education relevant to them.

What plans do you have for that? We mentioned in the program we designed in 1996 individual career paths, certificates of proficiency, all these kinds of things. How is that going to fit into the DC program?

Ms. ACKERMAN. Well, in the DC program, we are in the process now of developing a new school-to-work program that will be the basis for our school reform. We are looking at implementing in all of our school career academies, making smaller learning communities really focus on providing students with specific skills in specific career areas. We have been working in the last couple of months not only with our principals but with the DC Employment Council in the development of this grant which will provide us with the funds to start the implementation next year.

We, too, are looking at this issue of preparing all of our students in a variety of ways and at relooking at how we use our vocational education funds and how the vocational education programs in our schools are currently organized and how we can bring these two together. Right now, these two programs are sort of separate. There is school-to-work and then there is vocational education. You are right. There are students who—vocational education programs in the past have provided our students with a lot of different skills and those programs in the last few years have diminished across the District, but across the country in school districts, those programs have not had the same kind of focus that they had years ago.

So as we are beginning to look at how we address the needs of our secondary students and our students who are going to graduate from our schools, those that are going to go on to college but those who are going to go right into the school of work, we are organizing our schools around academies with specific focus on specific areas that will move them into the public sector and the world of employment with a variety of skills, but we can do that from the time they enter the ninth grade in our high schools.

We also are focusing our school-to-work efforts as a K-12 process that begins very early on. When students enter kindergarten, they need to be thinking about this and there are awareness programs. At the middle level, there are programs and opportunities for them to explore, so career exploration. And then in the high school, there are career academies where they can actually begin to have choices and experiences and internships and other opportunities for them to get ready for the world of work.

Many of our students, we know that less than 25 percent of our students go on to college right away. That does not mean that they do not go on at some point in their lives, but many of our students go on to the world of work and that world of work provides them with the funds and the means to go on to college at some other point.

So preparing them not only with the basic skills they need but the work skills that they need really is an area that we are beginning to focus on and it will be a part, a major part of our plan.

The CHAIRMAN. As you know, the dropout rate in this city is one of the worst in the country. That is hard to tell until we know where the students are, but presuming the figures are right, it could be as high as 50 percent or 40 percent and that starts off dramatically in the middle years. So what are we going to do in those middle schools to keep the kids excited about school and having the education relevant to them?

You talked about high school. That concerns me. I mentioned this to you before, but in Mississippi, they have developed a careers program that starts in the sixth grade, where the young people begin to look at various careers to get excited about and then they step it up in seventh, eighth, and ninth and on into high school. Do we have something in mind? What is our program to stop the kids from dropping out?

Ms. ACKERMAN. Well, I do agree with you that it starts before high school, that school-to-work starts, I believe. Before children enter the school, you need to be talking about that. So as we are developing our program, our school-to-work K-12 program, there are the funds that are available now for our secondary schools, but we are looking at this as a K-12 process.

I agree with you, having been a middle school principal, that the middle school years should be used as an opportunity for students to explore careers and that there are a variety of ways that we are now trying to develop that with our staff, with our community reps, to implement that kind of program at the eighth grade.

But we want to implement it at the elementary grades and then it is a natural progression for our students, so that they begin an awareness program at the elementary level, exploration at the middle, and it is built into the middle school curriculum. We are looking at moving from junior high programs to middle school programs and it is a natural way to implement it into our new middle school programs, a career exploration program that is implemented in the curriculum.

The CHAIRMAN. Have you taken a look at skills certificates and other things to give evidence at graduation for those that are going to school-to-work that they are proficient in certain skills?

Ms. ACKERMAN. One of the things we will be working with with the National Center is the initial certificate of mastery that we hope—and again, we talked about sort of being on a fast track and how do you get there. You cannot get there overnight, too. You have to have a realistic plan.

The CHAIRMAN. I know.

Ms. ACKERMAN. We will be working with the National Center in the District to develop an initial certificate of mastery somewhere around the tenth grade, and Pat can talk a little bit more about that.

The CHAIRMAN. Yes, Pat?

Ms. **Harvey**. Basically, what we know about the secondary experience is that, fundamentally, our high schools just do not work anymore. They are pushing a design that worked for us when we were in high school on a new generation of kids and it needs to be very different.

Why do they not work? First of all, we know that they do not work. When you look at survey after survey after survey, we know that kids come in not ready, and then once they begin to fail, both those who come in below-level and those who come in on-level, they begin to fail. So once you begin to fall, there is no safety net to bring you up. They are too large. They are too impersonal. There is no advisory system that can support them.

In addition to that, the curriculum has gotten bigger and bigger and bigger and bigger and bigger. We are teaching more and more and more. And adolescents, as we would expect adolescents to do, if you can go into high school and you can choose from 200—in some of your major high schools, you have 200, 300 course selection offerings. So what do they do? They cherry-pick. They choose the easiest, the course of the least resistance. And high school graduation is based upon course credits, so you can basically cherry-pick your way through high school and not know much.

So how do we fix it? And then the other part of that is that we hear from industry that they are not getting the kinds of employees that they need to have so that they can pick them up from that point.

So what has tended to be happening nationally is there is a focus, as Arlene said, on making the environment smaller, by not bombing schools and starting and rebuilding them again, but breaking them up, schools within the school, to make them small, nurturing systems where somebody there is knowledgeable about who is there, who is not there, and can get them in there.

And then next is to take that curriculum and just pluck out all the stuff that does not need to be there and start with a very focused curriculum for the ninth graders and the tenth graders and have a system where you have to master skills, end-of-course exams. So, then, passing is not based upon discretion in the classroom but an objective instrument that says that the child either knows or does not know the instrument.

We think that the first part of the secondary program should be focused on completing core, basic information. Then the next 2 years ought to be spent getting ready for the next steps. What we have done wrong in education is we have tried to do what we are not able to do well. We have gotten out of our strong suit.

So in high schools, you have them trying to teach auto mechanics using an old car and equipment and we hear the industry saying, you know what? The only thing of value the kids know when they come out of your programs like that that we can use at Toyota or Chrysler or whatever is how to change a tire. The rest of it was trash. We try to teach the hotel industry and so forth. We are trying to recreate using public dollars as educators what the rest of the world knows how to do. It is their strong suit.

So we think the second 2 years—first of all, in between these 4 years, the student needs to prove what they know and are able to do, get that certificate. That certificate says to the industry that you, in fact, are getting a kid who does know how to read and write and has the skills that have been agreed upon.

But after that point, there needs to be a system where the kids spend a great amount of time working and getting ready for the next step. The next step for some is going to be a straight track to college. But it is school-to-work for everyone. Some kids are going to go from the secondary program straight into the world of work. Others are going to take another year to earn enough money to go to college. Some kids are going to decide at 25 or 30 that they now want to be a physician. They should not have to go back to school to get ready for the next step.

So a lot of the last 2 years ought to be getting your feet wet in the industries that you are prepared to do with them knowing that you have the basics. So we have to rethink what is the place called school. Sometimes, a great portion of the secondary experience should be spent in the real world situation.

So the certificate of initial mastery, we think, proves that they have the basic background and then all of the energies for the second 2 years is getting them in so that they can see what aviation is about and medicine is about and you name it.

The CHAIRMAN. Ms. Eurick, what is the capacity of business to get more involved in the sense of that last 2 years, internships and the ability to get out into the workforce?

Ms. EURICK. I can speak to telecommunications better than I can to other industries, but in telecommunications, as has been reported recently, we have a huge void in the workforce that is coming at us and I believe as a corporation, or as an industry, we are more than ready to get involved in those last couple of years because it makes good business sense. This is not philanthropic. It is our future, as well, too.

The CHAIRMAN. We heard testimony that it is possible in the high schools to teach the skills necessary for entry levels into the telecommunications, but we are not doing that now. Are the telecommunicators, or whatever we should call you guys, are you working with the schools or have you been asked to work with the schools to develop the curricula so that when they are in the junior year, they can start getting involved with you and so they can get to those entry-level jobs?

Ms. EURICK. I do not know of any formal programs. The most formal program I know is this kind of work we are doing with Capital Commitment right now, but not with any particular school district, but there may be some that we are doing that I am not aware of.

Mr. BOYKIN. I have been asked to do a couple of things. I am doing some things in terms of curriculum development with Anne Arundel Community College. We are doing some other things. We are looking at Bowie and a couple of the historical black colleges in terms of that curriculum development on the junior college and four-year colleges in terms of the engineering-type components. We are also looking at some other things out in the City of Oakland in California in terms of introducing some curriculum into that.

It is something that we have been talking about or trying to do based on the fact that we have identified a number of those specific needs early on that can be addressed. We are also doing an apprenticeship program in terms of that same type of curriculum development with the Communications Workers of America union right here in Washington. We are doing some things with U.S. West out in Denver and they are looking at a couple of other places. But in all, we have been pretty much in a consulting capacity in terms of helping to develop that entire curriculum.

The CHAIRMAN. The people involved in technology education tell me they have all sorts of programs that can help in remediation and assist in the problems that we have for bringing teachers up to snuff as well as kids. What is going on with respect to cooperation? Do they come to you or have you had any discussions with them on how they can help through programs, and hopefully volunteer so they can prove to the rest of the country they all ought to buy their stuff? Have you been approached or had any communications with them yet, Ms. Ackerman?

Ms. ACKERMAN. I am sorry, with the——

The CHAIRMAN. Well, we have some that have software, we have had "Bright Star", I think it is. There are a whole bunch of these programs around where you can teach through your own television set in the house and it costs $31 to connect up, all these wonderful things.

Ms. ACKERMAN. I am sure that we have had plenty of contacts in the last few years and probably in the last few months. I have been very focused on making sure we are clear about our educational plan, very clear about what it is that—where we need the help so that we can coordinate the effort of the community to support us.

Bell Atlantic and other telecommunication companies have been very supportive of providing us infrastructure needs or taking care of our infrastructure needs, but I think what we need in DC Public Schools right now is to be clear about what it is—where we want to go, where we are and where we want to go so that we can coordinate these efforts in a way that is going to get us results.

The CHAIRMAN. We have a study group in the Senate of Senators and in the House of House Members that are looking into all these various things and we have all these people who have come to us and tell us these things. They say, gee, just call on us and we can help, so I just want to let you know that——

Ms. ACKERMAN. That they are there.

The CHAIRMAN. —that that resource, at least we can make sure it is out there, and hopefully, especially with remedial stuff.

Ms. ACKERMAN. I think by the end of this year, we will have a clear plan and we can say, here is the help and here is where we need it.

The CHAIRMAN. I just want to let you know that offer is out there and it is to their benefit to help you, because if they can prove it in DC, then they can sell it everywhere.

Ms. HARVEY. Just to add to that, if I can, one of the challenges with technology is professional development.

The CHAIRMAN. Right.

Ms. HARVEY. In many cases, our kids know how to use a computer but the teachers do not, and even if they do, they do not understand—many times do not understand the power of it as an instructional tool and an information tool. But that has to be focused, because what we see across the country, and Arlene and I have seen the same kinds of things, is that too often, the computer can become a baby sitter in the classroom. It becomes used as the same kind of tool as ditto masters, filling in the blank. It is meaningless drill that is not focused on the instructional program.

So I agree with her when she says that the first job is to get the focus, to get the focus and then to get some more of that focus, because once you do that, then you are able to use all of the support to make it happen. So the technology ought to be around, how to use it toward the District's literacy goals or how to use it toward the infrastructure needs or how to use it to add more time to instruction.

The CHAIRMAN. These kinds of programs have been around since the 1970s, I know, because I know my daughter was having problems with algebra and I got her connected up with Chicago University or whatever it was, I cannot remember, out in Illinois, anyway, with a remedial course in algebra and it perked her grades right up. It took my phone bill right up because it was a paid connection. She was obviously younger, but she learned how to key into the games on the same system, so I thought, wow, boy, she is spending a lot of time on algebra, but it turned out to be other things, as well.

So I know there are those things at work and I am sure those resources, at least they say they are available and what better place to make them available to see if they can work and then sell their wares. I would let you know, that group that I talked about in the Senate and the House came up with the Snowe-Rockefeller piece of legislation we passed to try and connect everybody up, so it is a group that has had success in marshalling resources.

Yes, Mr. Boykin?

Mr. BOYKIN. I just feel a little bit left out here. It just seems like everybody is talking about all the resources going those ways and I am just thinking, how do we get, for a successful training program like we have tried to exhibit over time, how do we get that type of resources directed our way?

The CHAIRMAN. That is a good question, and you want an answer from me. [Laughter.]

Mr. BOYKIN. I would hope so. I will take it where I can get it. That is something that we do not know. It is a situation where we have been to industry on that end to try to identify and to do the things necessary that it takes to make it happen. I think that Mr. Freeman, in his statement it talked about five different things that are involved in successful programs and I think that we have hit every one of those. The only thing missing is that sometimes it takes the wherewithal to go beyond the human investment. Sometimes you have to have the capital to pay instructors or to keep the lights and the doors open. I am seeking to find or identify where those type of funds are or to see where those discretionary or Federal Government moneys are, since they are not available locally.

The CHAIRMAN. I think that is the reason we want to try to get a group in the city that knows all these things to all work together so that we can find out how to share those resources or where they are available and where they can be maximally used. So I think we have to do that.

I am taking too much time. Poor Congresswoman Norton here is chomping at the bit, I am sure. But let me just ask you some more questions here on structure, the school day, school year—the school day in particular in inner-core cities. We saw an interesting program in Chicago on the "Lighthouse", they called it, and others that keep the kids in school and also provide them an evening meal and all those things. I mean, the national statistics on crime and everything indicate that the best thing to do is to keep the kids in school until five o'clock or so. That is number one.

No. 2 is the school year. Look at our competitive nations and they are all going to school 220, 240 days. In China, it is 250 days. What are we doing? I hear you talk about school all year around with all the remedial problems and all that, but is that something you are looking at so that we do not get more than a 30-day gap, which is a critical thing, which leads to the problems of retention and those kinds of things? What are your plans?

Ms. ACKERMAN. As we are looking at extended opportunities for children to learn, whether it is remedial or acceleration or enrichment, I think it is really important that we look at it. In almost all of our schools now, elementary schools, we have extended day programs, programs that extend into the evening. We have in a lot of our schools a Saturday academy, so students are there not only Monday through Friday, some of them are there on Saturday mornings. I would like us to look at extending the school year and providing for school communities that are interested in this the opportunity to extend this through the summer.

About 20 years ago, I had the opportunity to work in a year-around school, where there were 9 weeks on and 3 weeks off, and for the students, the three-week intercession provided extended opportunities for students to get not only the remediation and enrichment but other kinds of enrichment programs, creative programs that the community came in and supported our schools. I think those are really important.

Again, having been a teacher, that three-month gap is there. Many teachers spend the first month of school playing catch-up, trying to help students remember and to catch up what happened in the spring. I found that the year that I spent in an extended-day, year-around school opportunity, that my students were much more engaged. As a teacher, it was a wonderful experience because you did not have the large gaps and we did not have any research that supported that our students learned more. I believe that that happened, because they did not have the gap.

But I think it is important that we provide the opportunities for communities to have that as a choice, not only the extended day but year-around schools. I see that they have an important role to play in helping us improve achievement.

The CHAIRMAN. Any other comments? [No response.]

Eleanor Holmes Norton?

Ms. NORTON. Thank you, Mr. Chairman. Let me see if I can quickly get through my sets of concerns.

First, I want to congratulate you, Dr. Ackerman, on your fast, some would say galloping, start, and you, Ms. Harvey, on your testimony. The testimony that both of you have offered reflects the kind of clarity and focus that promises results. Frankly, that is really all I am interested in.

The District has a good record for plans. One of the ways in which theected school board was mocked, and even the former superintendent, who was a good superintendent in many ways, was mocked was that there were these plans. So I have listened to your implementation more than I have your plan.

I want to caution you against patience. I still do not understand how the District could be standing still for so long. A magic opportunity to recreate a city and a school system, it probably comes once in a century. There is no "war room" atmosphere here and I do not see how anything other than that can move this crisis forward fast enough to recapture what taxpayers have left and the exhausted patience that you will find in the community.

The problems you will find, I caution you, are not in the usual places. The elected school board, for example, got whipped about the head and shoulders, and deservedly so, because it became paralyzed, did not move, but they were not the problem. The bureaucracy was the problem and Franklin Smith did not move because the procurement system and the personnel system and the other parts of the bureaucracy kept him from moving and he paid the price for it. And when he moved out or was moved out, he moved out with great dignity. I do not know if he would have done well if the system had, in fact, moved out of his way, but I can say that you can expect that the system will not simply move out of your way.

I want to ask you if either of you has testified—I have to assume you have—at the City Council.

Ms. ACKERMAN. I have, yes.

Ms. NORTON. You have?

Ms. ACKERMAN. Yes.

Ms. NORTON. And you have, Ms. Harvey?

Ms. HARVEY. No.

Ms. NORTON. I think it would be important for the Education Committee, which has the same deep interest that we do, to hear from you, as well.

When you have everything to do, Dr. Ackerman, the notion of where to begin is something you seem to have gotten in check with your ducks in a row. The chairman mentioned a notion that I think he was well to mention that can stand in the way of anything you want to do and that is the credibility or lack of credibility that will come forward when certain kinds of barriers do not seem to ever move, and he mentioned in particular the number of students and the incredulity of telling us, well, yes, it is the same number of folks. What do you expect? That is where it is. We counted them. We counted their heads and the rest of it.

He says that we know that they did, but obviously this is not a counting exercise. When you count heads and you have the same kind of heads you had 10 years ago, you ought to know that you have an analytic exercise and not a counting exercise. The analytic exercise is how do I keep coming up with this, and you sit down and you compare it with the census figures and you compare what Dr. Grier says and you compare what Dr. Fuller said and you figure it out. If you do not figure it out, no matter what this very dedicated chairman of a committee that is not related to whether you get money says, you will get not one thin dime, and nothing I can do standing up here by myself will make that not come true.

I just want to mention this and ask you to go back, and I believe it is being dealt with now, but this is something that is very good. It is the proposed Emergency Transitional Board of Trustees which proposed a rule, a new rule, on residency, and I like what the new rule says and I draw to your attention as a really angry taxpayer that I think I am paying maybe for 10,000 youngsters, maybe. I would not be surprised if they come in here with their folks. I am angry at that when the people I represent are paying for them and they are increasingly poorer and poorer.

And among the reasons, I am sure, that this has taken place is nobody has given the priority, and when you have what is being corrected now, and I want to ask you a question about that, it says the current board rules, and gives the section, provides a noninclusive list of documents that may be used to demonstrate District residence and one of them is membership in a church. Well, you know if you go out in the street and you show this to any DC resident, they will laugh in your face because they will tell you they go to church every Sunday and two-thirds of the people in church come back to their home church from Maryland and Virginia because that is how people are. They come back to where they were baptized.

So the notion that it is on the list this long makes me angry, because any fool knows that our churches look just like our schools and just like our other institutions and people come back because we have wonderful churches, but they are an indication of nothing except perhaps that you do not live in the District of Columbia.

But I note the date on this. If this were a year ago, I would not be angry. I would say, I know you all are getting to it. But this says, pursuant to the authority set forth in the DC Code, gives notice of the proposed rulemaking action taken by the trustees at their meeting on February 6, 1997. That is almost a year ago. The trustees will take final rulemaking action on these rules in not less than 30 days from publication of this notice. Keep me from crying. Are the new rules in effect?

Ms. ACKERMAN. The new rules were just published about a month ago.

Ms. NORTON. Why? If this was a year ago that the trustees had their priorities right, because, I mean, they must have come in about that time. You would have more money instantly, either because it would be freed up and these folks would have to go to the Montgomery County School System, or they would begin to pay us tuition. I am telling you something. I am not going to ask for any money.

I am not going to accept any money until you do something about this. I am not going to put my credibility behind this kind of stuff. I am not going to go and ask the Congress for any money until I can show that we are, in fact—and the only reason I have any credibility up here is because I, in fact, ask my people to produce for me so I am not going with hat in hand to just bring forward any amount of money you say.

I want to know why this took a year to get to that I am told it is being published now. I know you were not here, Ms. Ackerman. You can understand, though, I put my finger in the face of these members of the Congress and the Senate who go after the District but I will be darned if I am going to carry water for a school system that does not have its priorities for getting money it could get tomorrow and then come up here and ask other folks to give them some money. How is a Senator going to get anywhere on a radical proposal for commuter tax when, as he said, they will throw the head count right in his face?

I do not expect you to have the answer, but you say it is going to be in the record.

Ms. ACKERMAN. Yes.

Ms. NORTON. Does that mean that it has, what, 30 days in the record?

Ms. ACKERMAN. It has already been published in the record.

Ms. NORTON. And then what?

Ms. ACKERMAN. And now it is enforceable.

The CHAIRMAN. It is now in effect.

Ms. NORTON. Would you come to the table, please? If it is just in the record, I thought people had to—I am trying to get a date on which this is finally going to be over with.

The CHAIRMAN. Identify yourself, please.

Ms. BATES. Hi. I am Karen Bates, Legislative Liaison for DC Public Schools. The new rule was published in the record in December. I think is some question——

Ms. NORTON. There is something about December 12 on this. I do not know if this is the right date since it is a stamped-in date.

Ms. BATES. Yes. I think it was published in the record that week and it would be a 30-day rule. However, with the current status of the Emergency Board of Trustees, I think we have some question as to whether the rule is in effect.

Ms. NORTON. Fix it. Fix it. Go publish it again through the authority and clear up the question. Republish it.

Ms. HARVEY. I cannot speak to DC, but I can tell you that that was also a major problem in the City of Chicago a couple of years ago. First of all, it was not a requirement for staff to live in the district, and that changed. Then second of all, it had to be enforced. Part of the Office of Accountability's role was to make sure that staff coming into the District did adhere to the residency rule and that all of the kids in the District were the District's kids. Anybody else there who was not supposed to be there, they were prosecuted and they were made to pay tuition to help the Chicago Public Schools.

The CHAIRMAN. Was that a significant number, a substantial number?

Ms. HARVEY. I do not have any numbers, but what has happened is education is now changing. For years and years and too many years, all of the interest was on input and not output. So now, new administrations like the ones here and across the country have to go policy by policy by policy and just reverse everything that took place in the past.

In addition to that, the Mayor of the City of Chicago said, in order to make Chicago a better place, we have got to keep the middle class. We need to have this bigger tax base here. And they started to provide a number of incentives for educators and create—the schools working with the city created a lower interest rate for not just teachers but anybody who was working for the Chicago schools who was interested in buying a home in the City of Chicago and that encouraged a number of people. Those people who lived outside of the district, it was not just "goodbye" but there was also a support program in place to help you make that transition, to make sure you did make it, but to help you make it.

Ms. NORTON. The people who really live outside the city are the people who put a value on education, namely the teachers, and, therefore, you really do have to give them an incentive, like my $5,000 homeowner tax credit, for example.

The attitude you will find up here is evidenced in this "Dear Colleague" from a member who has not been friendly to the District. Of course, the District has not given overwhelming reasons to be friendly. But it says, "The average DC student cannot read this letter." It then goes on to say, having made fun of our youngsters, the "Dear Colleague", which this is a "Dear Colleague" simply informing people—it is making fun of DC, essentially, but essentially making fun, as Dr. Ackerman has said, of the adults, because the failing is exclusively with the adults.

It says, "The School Without Walls has 48.4 percent of its students below the math proficiency." "Its" students is spelled "i-t-apostrophe-s". See, that tells you about staff literacy in the Congress of the United States because I know this member is highly literate. [Laughter.]

Then to go on with its mistakes, as they make fun of the District, this staffer—the member is not even in town, so I know this was written by a staffer and I know the member to be a very careful and literate member—"tens of thousands of DC students are trapped in a system which is not safe and certainly does not educate"—that is not safe, any eighth grade English teacher will tell him, and maybe we will send out a "Dear Colleague" letter about how to write correct English if you are sending "Dear Colleague" letters.

But it does give you some indication of what I am up against and I am one member and the only member. There is no Senate member and it is members of the Senate like Senator Jeffords that I have to call upon to help me and we need all the help we can get.

I would ask you, Dr. Ackerman, if you would go back, since as the staff member indicated, there is no question, there is not any question, and were this given to a lawyer, there is not any question that since they may be—it is true that the Court of Appeals said that anything you have done so far is okay and they use the equitable powers to do it. But again, if anybody is on the case, they say, just in case, they go to the Control Board and they say, quick, reaffirm this, and then you have to go both ways. Otherwise, it is true that somebody might come in, and though you are probably right, even if you do not double up on this, it could delay you. Meanwhile, millions of dollars are at stake.

They are not coming in to go to your lowest-performing high schools but they may be coming in to go to your high-performing schools that our children are on waiting lists to get into. They will surely come in here to use your early childhood and some of your elementary schools where some of the innovation is going on and where people who live in this town are paying for and we do not have the money to pay for it and Congress is not going to give you—even if you were doing everything right, it would be very difficult to get anything from this Congress because the District has always, even at its highest level of performance, had that difficulty. Please, let us try not to make it harder.

I would like to ask Dr. Ackerman a question about the test that was given. The Washington Post reported in a January 8 edition that this test was given, the test upon which all of this fun is being made of our kids, was given for the first time in the 1996–97 school year. It is a new test.

I found out only, not because any teachers came to me but in my going around the city, decried these test scores and indicated all that we have to do to close in around these children and a couple of teachers got up and said that it was the first time the test had been given and that they had not had, and here I may not have the entire message from them correct, but that instead of the usual test—I take that to mean the multiple choice test—it was an open-ended test, that there was no preparation so that the kids understood that this was a different test and now, of course, everybody is saying it is a bunch of dumb kids.

So my question to you is, was there any preparation given so that youngsters knew that this was, change gears? Were there any practice sessions? How were these children prepared for this test where we are told 90 percent of them ought to be flushed down the toilet, because that is how the people are looking at our youngsters now because everybody goes around inside and outside the District saying, "See? See? See? I told you. I told you." That is exactly how these are being used. Is it the adults? Is it you, Dr. Ackerman, and those who did not prepare these children to take these tests who are in part responsible for this 90 percent figure?

Ms. **Ackerman**. Again, I was not here in the spring. I just got here in September. I had heard some of the same issues raised in terms of the timing and the support that may have been given in terms of test preparation.

The scores that are reflected, though, and there was a portion of the test that was open-ended, so students gave you an open-ended—it was not just multiple choice. But the scores reflect only the multiple choice because I, too, felt very strongly that to give a test that very different, if you have been giving multiple choice and then to give an open-ended test and students have not had a chance to have the instruction to support it or teachers had not seen that kind of test, it was unfair to report the scores reflecting that portion of the test. So what we are reporting and what you saw in the paper does not reflect the open-ended section.

We did give——

Ms. **Norton**. Wait a minute. Were the open-ended scores for all the schools simply removed from the test and unscored in all the tests?

Ms. **Ackerman**. They were scored and we do have those, and if we had included those scores, our scores would be lower.

But what we have done since I arrived was to give, again, to address some of the issues related to test preparation, for our teachers to become familiar with the test, was to give a diagnostic test, a portion of the Stanford 9, in the fall so that we could look at where students are when they entered the grade, be specific about what skill deficiencies they have and what skill strengths they have, and then for teachers then to have the remainder of the year to develop instructional programs and instructional plans to support where students are at the beginning of the school year.

We will measure the improvement, the school performance, by where students were in the fall and where they are in the spring because of the problems that we had with the administration of the test in the spring. And then from this point on, that should not happen again because we have put in the safety net.

The **CHAIRMAN**. Let me interject. Again, this is information that came to me, that I have not looked into personally. They took a 1978 test, I think it was, and used it year after year after year, and not only that, but copies of the tests were freely around and available before they took the tests. I do not know whether that is true, but I can understand the great consternation of having a test put to you that you had not seen before if that was the course, and I just pass that information on that came to me.

Ms. NORTON. I do not believe there has been wholesale cheating on tests in the District of Columbia. I do think that they may have used the same instrument on tests, and I would not want anybody to cast aspersion on the school system in yet another way.

I do think that the change of the test, I have no problem with that. An old instrument, and I remarked yesterday that this instrument is to be—that 3 years ago, we were told these kids were progressing very rapidly, so something has got to be wrong with the instrument.

But I am concerned. November tests were given and then the test is given again in April.

Ms. ACKERMAN. I am sorry. It is May, in May. It is May, but it is about six or 7 months.

Ms. NORTON. Is that the normal time in which you would expect to see progress?

Ms. ACKERMAN. I expect to see progress from the time students enter until the time they leave. Usually, you look at from year to year, but you can use the diagnostic tests—we started late and we gave the tests in early October, in October, and we are using that, the fall testing, as a benchmark for where students started and then measuring the growth and I would expect that students would make growth every month, or every day that they are in school. But certainly we can measure where they started and where they end in the school year.

Ms. NORTON. So they simply have to grow. You have not said particularly how much, but they have to show some growth.

Ms. ACKERMAN. Right. This year, we did not.

Ms. NORTON. OK.

Ms. ACKERMAN. Usually, you would expect that it would be a year growth, but I would expect that it would be the growth from October to May, when they take the tests, and that is what we will look at in terms of measuring school performance.

Ms. NORTON. I can see why some flexibility would be called for. The trauma of not opening and then getting acclimated and then trying to get yourself together and then all that is involved in a school system that has had other uncertainty, the Board of Trustees, the whole ball of wax, this to say nothing to at all ask you to do other than what you are doing to keep standards high.

The Post reported that, and here I am looking at December 17, "She promised better teacher training and more classroom computers and," and here is the problem, "and new funds for after-school tutoring." You indicated that the budget was being changed around. The first year of a balanced budget, therefore a very tight budget. Everybody believes with good reason that there is a lot of waste still in the DC Public Schools. Are you finding any difficulty?

This sounds like an open-ended budget that you can just get when you want it, and that again raises questions, given how tight our budgets are, where, in fact, there is so much money to move around in the DC Public School System, from where it was already budgeted last year to something that was not in the budget. So one begins to wonder, are we going to wake up and find that something that was equally necessary no longer is there, is being done, because this money had to be moved around real quickly to do this which is also necessary? How are you keeping that from happening?

Ms. ACKERMAN. Well, I think it is a matter of priorities at this point and that is what we decided. If the priorities when this budget was developed last year is different than where the priorities are now, which is around supporting these policies and practices that we are putting in place around student achievement, then you are going to have to do that, like you do with our house budgets, and that is what we are doing. We are taking the money that we do have and we are going to have to support looking for duplication of services, duplication of programs, and every time we find something like that, we push this money then into supporting these safety net activities for students. I did not say it was a lot, but it is a place to start.

Ms. NORTON. Good. Your answer indicates a recognition of the danger. We have unintended problems or even problems that people could have foreseen and then did not deal with. One of the most shameful is the lowest-paid workers I raised yesterday in the school system. These people have tried for 7 years to get their money and finally they called the question on them with a strike. So that means no matter what you plan, they have to pay these folks or else you will not have any summer school or any school and that is the kind of thing that has to be taken into account when you are trying to do your job and this has nothing to do with your job.

The CHAIRMAN. Let me interrupt you just for a second. We have with us——

Ms. NORTON. Could I introduce my own folks, please?

The CHAIRMAN. Go right ahead. I just want to make sure they were not ignored.

Ms. NORTON. I was just waiting for this answer to be finished. I want to welcome Truesdell, the nongraded school-within-a-school at Truesdell, second through fifth grade, 33 students who are part of my DC Students in the Capital who happen to have come to the Capital at a time when we are, in fact, talking about you. We are talking about you, Truesdell. [Applause.]

We have your leadership at the table trying to make sure that the money gets directly to you, working very hard to give you the kind of curriculum. That means that when you get through with high school, you will almost automatically get a job, that the new technology, you will already know.

The reason I am taking this opportunity to talk with you is I usually come out and talk to students and ask them a set of questions, and so I am going to have to ask you this question from the roster. We have heard testimony—everybody listen to me. This is your Congresswoman talking to you and I am going to ask you a very tough question.

We have heard testimony from the roster today that as many as 40 percent or 50 percent of students in the District of Columbia, if you can believe this, do not graduate from high school. I want to ask Truesdell second through fifth graders whether or not on this 15th day of January, 1998, on the birthday of our great hero, our national hero, Martin Luther King, Jr., whether or not—listen to me, no automatic hands up—whether or not you are willing to look your Congresswoman in the eye, sitting beside a distinguished Senator and chairman of the Education Committee of the U.S. Senate, so I want you to look him in the eye, too—that is four eyes you are looking in—and whether you are willing to promise us that you will never drop out of school and you will at least graduate from high school.

May I see a show of Truesdell hands, if you can show your hands? [Show of hands.] I am not surprised. I got them all. [Applause.]

Senator could I ask my very good friend whose hearing this is if he would greet my constituents?

The **Chairman**. After that demonstration, how could I say anything except welcome? We are pleased to have you here and we are doing our best to make sure that you will have every reason you need to stay in school and do the best job you can and we are confident you will. Thank you for coming. And to those that brought them, the teachers and others, thank you very much.

If I could interrupt for just 1 minute——

Ms. **Norton**. I yield, Mr. Chairman.

The **Chairman**. On the attendance matter, I was reminded that in the education bill we put forward in 1996 that we delineated a procedure to answer the question of attendance. Was that brought to your attention, do you know? It is Section 2402 of the 1996 bill and what I am concerned about is if we are having a different system, whether it is people going to raise the question of, well, why did you not use the ones in the law instead of another system? I just wanted to bring that to your attention.

Ms. **Ackerman**. I am going to ask Karen to answer.

The **Chairman**. All right. I am embarrassed to say, I had forgotten we put it in there.

Ms. **Bates**. I believe that section pertains to attendance rather than enrollment. I do know the law requires us to audit on an annual basis our enrollment and that is the audit that Ms. Ackerman referred to earlier.

The CHAIRMAN. I just wanted to make you aware of it. I want to make sure that we do not get into a conflict of how we are doing things that is in conflict with the law, that is all.

Ms. NORTON. Ms. Ackerman, I just have a couple more questions for you. Again, the newspapers reported that as many as a quarter of the school system, and I think you even said that, could be in summer school or held back. Is this your present calculation? How many students do you expect with the remediation you are doing to be able, without going to summer school, to have made enough progress so that you think they would be able to pass to the next grade?

Ms. ACKERMAN. We based those numbers on what we got back from the spring tests and we are now looking at the fall tests, the diagnostic tests. We administered and we have gotten back those results now to monitor that. We are hopeful that—I would like to see none of those students have to go to summer school, but that is probably not realistic either.

But I hope with this quarterly monitoring of student progress and looking at, not only now—now we have the ability to look at where they are, not last spring, but where they were performing in October and then to look at that and measure that against what is happening in the classroom and feedback we are getting back from the schools and the assessment that goes on on a daily basis, on a monthly basis in the classroom, and we will be able to remediate some of those concerns that we have with students, and those numbers will be lower. That is what this instructional program, we hope the program will do between October and June, is to remediate enough of that so we can lower those numbers.

Ms. NORTON. I have sent out a "Dear Colleague" just this week for members and staff to help with your reading program, with the twice a week, 35 minutes, and staff in particular has been very responsive, particularly those who live on Capitol Hill, to helping in DC Schools, so we hope to once again improve the standards.

Ms. ACKERMAN. Thank you very much.

Ms. NORTON. Ms. Ackerman, I want you to look at this gentleman. Stand up, Cedric. Cedric Hendricks, who has been either on my staff or on my committee staff since I came to Congress in 1991, is a real live middle-class, tax-paying, DC parent with three children in the DC Public Schools. His children, Marcus and Malcolm, did very well on the tests you have given. They go to Shepherd Elementary School. Nikki, who is 4 years old, is in an early childhood school-within-a-school, charter school-type school.

Cedric went, I think as recently as this week, to a parents' meeting. Not all the children, some of them middle class, did as well as Cedric's children did. I believe we are at great risk for losing those parents and that in spite of the fact that I think many people have confidence that you can turn this situation around.

Part of the reason is that many of them have children that did not do well on the test and many of them believe that their children may be held back. I guess for them, that is the last straw. The failure of the adults, which may include these parents, but remember, we are talking about failure that was so broad-based that we know that the schools have to take a very substantial responsibility. We are not talking only of children from the broken homes and so forth.

Many of these parents are likely, if they feel embattled or if they feel that they are going to have a child that is left back, are going to be out of here. They are going to be to Montgomery or to Prince George's or perhaps to Virginia in order to try to get to a system which they will regard as less punitive and more helpful.

Now, this is no comment from me, this is a perception that may very well be in the community.

These parents have received this very good newsletter, and you have indicated that these newsletters will be coming soon, but Cedric tells me that one of the sources of anxiety that these middle-class, tax-paying parents, a rare breed, rarer and rarer breed, is that they do not feel that they have had much communication about what in the world they ought to do now. They have this. They have had a PTA meeting or so and they really are in a State of acute anxiety about what needs to be done to make sure that their kid is not among those left behind.

They are, in part, I think, caught in part in a transition that you are with lightning speed trying to move through. The unintended consequence of your wonderful start is or could be that these folks who do have someplace to go may not experience what is happening as a phase-in of standards, of the kind, for example, that the States have always done. When they say you are not going to graduate until X, Y, Z, or the rest, and there are a number of years, and, in fact, your plan says it is a number of years, you know, we will be beginning this with ninth graders and so forth.

But here is where communication becomes important. Cedric Hendricks tells me that a number of these parents do not have this understanding, see the fast start, feel encouraged about it, and then experience personal anxiety about not knowing in particular what this means for their children. I wish you would say something in this hearing that would give Cedric something to carry back to these parents so that we do not have as one of the unintended consequences of this a wonderful start that a number of parents say, well, this is the time for me to go. I finally know that it has come down to my child. They are trying, but ultimately, this child is going to be left back and I just cannot take that.

The CHAIRMAN. I want to say that I share that concern, because I cannot believe that if we suddenly notify thousands of parents that it is necessary for further remedial attention before they will be passed on, that this is going to be quite a shock and I hope we will have a plan to try to understand that that is most likely to occur.

Ms. ACKERMAN. You certainly have hit upon sort of my dilemma here of trying to move forward, to do it quickly in what we know at this point is a crisis situation and how to do that. Do you move students on who are three and four and 5 years behind? Do you use tests only personally? People have heard me talk about you look at a comprehensive assessment of where students are, and I certainly think that a major contributing factor to whether students move on should be where they are scoring on this Stanford 9.

When students are scoring below basic, it means they have little or no mastery of skills. I am a parent, and believe me, as a parent, I want my children at least scoring at a proficient level. That is where we want our students. Even basic is not good enough. It means that they have partial mastery. Here, we have little or no mastery with the basic skills. So to me, a red flag, a red flag has to be that they are below basic. They have little or no mastery. So if you move them on, you are going to be moving them on and you are going to have a problem at the end.

But do I think that should be the only criteria for promotion? I do not think so. I think we should look at, and I have suggested that in my recommendation to the Board of Trustees, that we expand the criteria, that we look at that. That certainly should be a clear determining factor when students are scoring below basic, and in both reading and math, it is critical at that point. I do not see how they can move on and be successful, and even moving to Montgomery County, Fairfax County, those kids are going to have trouble in those school systems also if they are below basic.

So I think it should be that. I think we should look at what teachers have to say. Teachers are with the children every day. So teacher input has got to be important, the grades that they are making, although if they are below basic, I cannot see how the grades would reflect anything but the fact that they are having difficulty.

And then I think we have to expand the criteria. We have to use things like a writing sample and we have to look at our curriculum and have other ways of assessing how students are doing. Those will be in place next year. What I have now is this critical time factor of right now. What do you do at the end of this year?

So what we have tried to do is to look at expanding the assessment, being honest with parents early on, giving them this information that the test results are showing us now, and providing them, like in that newsletter, here are some tips for how you can help us. I think we have to do a number of things. We have to help parents, give them the information. We have to tell them what it means. We have to provide safety net activities. We have given our low-performing schools additional dollars so that they can increase tutoring. We are trying to get this city-wide literacy program so we can target the students who are below basic and give them the help with reading. We are trying to do multiple things.

I did say in my testimony that starting in February, we will be in the community talking with parents about what this means to them and what they can do. It is like we have to do 1,000 different things all at once. We do not have in DC the luxury of time, but we have to have patience and all of this.

Ms. **Norton**. Yes, and you really are caught between a rock and a yard place. I think you have described it very well. If you simply continue the old system, you are building one failure on top of another. Of course, if you ask children to catch up several grades in one time, I mean, Einstein could not do that.

Ms. **Ackerman**. Right.

Ms. **Norton**. You obviously are trying to figure out how much progress is necessary. When a child falls several grades behind, it may take more than 1 year to catch up or more than 1 year of intensive treatment.

Ms. Harvey quoted on page three of her testimony this seemingly self-evident quote, "Why are we continually surprised that we teach sixth graders at the third grade level they score ready for fourth grade level." Well, the reason, again, the easiest thing to do is to criticize what we do not truly understand. The real question we have to get to is not that. The real question we have to get to is that the reason this teacher that is teaching this sixth grader at a third grade level is because you have to take the child from where he is. What should you be doing, teaching at the sixth grade level?

The real skill here is when you get a child who, in the sixth grade—and that is what you are going to find, Dr. Ackerman—you have a child in the sixth grade—by the way, God help me, it is going to be people who pay taxes in the District of Columbia—and, yes, he is reading at the third grade level, and here are teachers who somehow are supposed to figure out how to teach out of a sixth grade book. Give me a break.

The great failure of education is precisely that it has asked this question as if it is self-evident when, in fact, we know it is not. Social promotion—let me ask you about that one. Why does social promotion occur? Every time I hear it discussed, it is never discussed analytically. It is, oh, there are a bunch of dumb folks in the United States and do you know what they do, these dumb, these stupid teachers and principals? Do you know what they are doing, and any fool would know how to do it better, they take people and they promote them even though they do not, in fact, know what they are supposed to go.

And no one goes back and tells people, and frankly, I do not know the real facts but I have tried to figure it out—this probably has to do with the dropout rate and if you get a kid in the sixth grade who looks like he is a football player, at some point you figure out, am I going to promote him and hope that they figure out what to do there or am I going to not promote him and be sure that he will not come to junior high school next year?

Somebody ought to tell us the real truth. Then we would understand just how hard it is and then we would look for real answers. But I am tired of hearing social promotion as if that were something that people did for their own convenience and did not, in fact, meet truly difficult choices that, thank you very much, the field of education has not figured out for us.

The **Chairman**. If you want to answer that, that is all right.

Ms. **Harvey**. Yes.

The **Chairman**. I would just say, this is a whole national problem.

Ms. **Harvey**. I am geared up to answer that one, especially the curriculum one. If our kids start out behind, then the only way for them to catch up is for us to quickly get to what they need and then in the shortest period of time give them that so that they can, in fact, get where we want them to be.

Now, what happens with our textbooks? The way textbooks are made is across the country, they see what the people in DC want to teach and the people in San Diego want to teach and then they get a hybrid of that. And in each textbook, they begin with review and then go over and over and over some of the things that are important for DC, some of the things that are important for whatever city it is, and within this 600, 700-page book, if it is a high school book, and somewhat smaller, is tons and tons and tons of duplication.

Now, another problem on top of that is that you have this assessment piece that is going to take place in May. So if I as a teacher begin on page one and am hell-bent to go from page one to page 301 regardless of what kids need or what is in sync with the curriculum, then the kids will never, they will never catch up. With kids that are behind, as well as those who are not, we have to look at the core essentials of what needs to be taught at that grade level and make sure that they get those things, the ones that they have missed, over and over again in the broad way that they need to have so that they can move up to the grade level.

So it does not necessarily mean spending the time from page one to page 301. So that is one of the mistakes that we do. We do not hone in on what the kid needs to learn that is connected to the standards.

The other piece of social promotion is the assumption was, well, it is better to leave the kids with their age-level group and try to give them what they have missed than it would be to keep the kid in the grade level and give it to them at that point. What we have learned over the last 30 years, since the time period of you and I being in school——

Ms. NORTON. You flatter me. [Laughter.]

Ms. HARVEY. I am not so sure I flatter you. But it does not make a difference. When we were in school, we knew day one that we had to be at a certain level in order to graduate from high school, and if I look back to 1961, graduating from elementary school, there was not a kid in my school, other than a handful, maybe five or six, who did not read at the eighth or ninth grade level going on to high school. Their parents knew it, we knew it, and we all did it.

But because we have relaxed and relaxed and relaxed the expectations for kids, then it does not matter, and the only reason that we move them on from the elementary school into the high school is that nobody wants a 16-year-old in the same building with a five-year-old or a four-year-old. You are talking about the difference of a person with a beard, almost.

Ms. NORTON. He will not be in there. He is going to be gone.

Ms. HARVEY. Yes. So I guess what a number of us in education are saying is that these are hardy little people and they can, in fact, learn at high levels. We know that they can. So we have got to give them everything that they need to have in order to get to where they are supposed to be, but we have to hold them accountable, too. We have got to hold them accountable for attention, for effort, for homework, for participation, and then we have got to stop telling them, if not lies, things that are not true. We cannot tell them that they are ready for high school and they are not.

Ms. NORTON. I should ask Dr. Ackerman to answer this question, as well.

Ms. ACKERMAN. I agree with a lot that Pat has said.

Ms. Norton. Because you are the one who is going to face the dilemma.

Ms. Ackerman. That is right, and I have sort of watched us in education go through this cyclical process of promotion, nonpromotion. So I agree that some of the things that she has raised are true.

Another reason that we sort of got into this, I think, is because you hear people talk about the studies on self-esteem and the fact that if you hold kids back, they will feel badly and it damages their self-esteem. What I was always curious about, though, is we held them back and we gave them the same thing over and over again. It did not work the first time, so you stay in the same grade and you do the same thing. So I can kind of understand how we got to that conclusion, but it does not really make sense if you hold people back and you do not find out what it is they need and give them something different and get to those. We did not do that because it takes time, it takes money, and it takes resources that we did not have. So it did not work, so we moved kids through.

I do not know anything that would damage your self-esteem more than to graduate, spend 12 years in school, get a high school diploma, and not be able to get a job and not be able to read. So the self-esteem thing is on the other end. We may nurture them while they move through with the self-esteem issue with no skills, but they know. The kids know. Even when they are in school, they know they do not have the skills.

I think we are going to have to, as we look at this issue and the way I am trying to address it, is to be very clear, because one of the things that we have as a strength in Washington, DC Public Schools is that our students start this race even with everybody else. When you look at their test scores, they are at the national norm. Something happens. So that something that happens, it is not about the children. They start with the abilities to do well in school and I think it is curriculum issues, I think it is instructional issues. I also think it is about expectations in urban school districts, the expectations that people have for whether or not all children can really learn and what do we do with that.

So I think you have to work on all of these. I wish it was just a simple answer. I have been in this business 29 years and it is very complicated. I do believe, though, very strongly now that while we have to go through some pain over the next year or so to begin to address this, we have to. We cannot let our students get to this tenth grade because then they do begin to believe that it is them, and it is not. It is a system failure. I really do believe that, because they started like everybody else, able to achieve, and showed us that they could.

The Chairman. I think that is the important thing to remember. They started at the national norm. Something happened, and it was not the kids.

We did not really become aware of the dangers of social promotion until the "At Risk" report in 1983, and you are right, the philosophy started changing in the 1960s. Dr. Spock, all of these things came out, which were important pieces of information, that you can traumatize a kid, you can create psychological problems and all those things. But as you point out, the worst one is to be misled through school and then find out you are a total failure when you graduate with a certificate that does not mean anything to anybody.

The shock of social promotion has just sunk in. The President helped with that by talking about it. But I will tell you, I got in real trouble with my teachers when I went up with the Secretary of Education and told them that you have to end this social promotion stuff. I will tell you, there was an uproar. But fortunately, every editorial in the State's papers came out and said, you are absolutely right, so that kind of calmed things down.

Ms. ACKERMAN. I really do want to stress that I do not think it can be on tests alone. That is really important, that it is a comprehensive assessment of where students are and what they have learned over the course of a year, that it has got to be——

Ms. NORTON. Could I suggest, just because of what I am hearing, it really is in anecdotal fashion, that some emphases might be useful. One is that you intend to remediate as you go along.

Well, first, let me begin with this proposition. What you just said, Dr. Ackerman, and here I want to stress communication. First, I ought to begin with that. There are a lot of folks out there that just do not know and that is where their anxiety comes from. If they could hear you today, I do not think we would have this same problem. So first, there needs to be much better communication out there so we do not hear these people who have false impressions.

Second, to stress that their children come to school, for the most part, much better than—that the school system takes full responsibility for what is happening to their children. They recognize that many parents do not do all that they are supposed to do and that you need a partnership within. But even given that, that the school system is taking a responsibility and asking you to take yours because we are stepping up front now and taking responsibility. That means that we are not placing the entire blame on you. We are taking the responsibility. When people step up first and take the responsibility, other people get shamed into it.

First, communicate. Second, to indicate that. Then the third is to say, look, leaving your child back is a last resort. So the third thing I would suggest to indicate is that we are remediating as we go along and that your child does not have to jump ten grades at one time in order to do it and we expect the remediation process for some youngsters to take more than 1 year. We are doing it as we go along. There will be some kids who we will be able to remediate faster if they help us out, because we are trying to catch up. We have not always been here.

You help us out by going to an extended school year—would we please not call this the same? Everybody who went to summer school when I went to Monroe Elementary School, Banneker Junior High School, and Dunbar High School got left back. So if it is summer school, you all, it already has been defined as failure. We are asking those students to go to an extended school year.

And fourth, to say that this is not punitive. In fact, you ought to contrast it. You should say, it used to be when you went to summer school, you had not done your work. This is not what this is about. We acknowledge the failure of public school systems in the

United States, including the District of Columbia. Our attempt to make up for that is to remediate as we go along, for one thing, and to the extent that we do not get there and you do not get there with us, we are extending the school year for these children or else there are going to be a whole bunch of people at that exit or starting to look for houses in June.

I think that you should not stop what you are doing one pace. You should not slow up one bit. But as you go along, bearing in mind that people have not been used to the high standards you are setting, devices such as what, off the top of my head, I have no idea whether they will work, might be helpful.

You all have been extraordinarily patient. The chairman wanted to be through before now and I will forego questions, except for Mr. Boykin. I will forego questions, though I had some for Ms. Harvey and Ms. Eurick because of the lateness of the hour. It is lucky that we are friendly inquisitors because you have certainly had to abide a very long time of questioning.

However, Mr. Boykin said something that made me want to look further into questions he raised. First of all, Mr. Boykin, let me say you got me. I will get out there. Just call Sheila Bunn. I will get out there to see what you are doing.

Mr. **BOYKIN**. All right.

Ms. **NORTON**. But you said, despite welfare-to-work success that you have had, you do not have a single dime from the District of Columbia. Have you applied for money from the District of Columbia and not been able to get it? Do you have money from the Department of Employment Services, DOES? Have you applied and not been able to get it? Have you ever had any money from the District of Columbia, all three of those questions?

Mr. **BOYKIN**. All right. I will give them to you. We in 1996, I believe, we got a grant from the District of Columbia, a trial grant from the Department of Employment Services to train and seek employment for 16 people, I think they identified. One young lady, unfortunately, got pregnant. The other one decided to be off on drugs. Outside of that, all 15 people were employed. We came back with the exact same proposal the next year at DOES and we were turned down. We did not get that.

Ms. **NORTON**. This is remarkable, because the DOES is in the paper for not getting jobs to people but spending money on contractors like you, except you say you got jobs for people. Was that the only DOES contract you had?

Mr. **BOYKIN**. That is the only one we have ever had. We have applied three times.

Ms. **NORTON**. Have you ever had any contract with any other agency of the DC Government or the DC Public Schools?

Mr. **BOYKIN**. Not in the DC Government, no. The Private Industry Council in Prince George's County supplies people and funding, the Private Industry Council in Montgomery County and the other surrounding areas, but not in the District of Columbia.

Ms. **NORTON**. I think we need to make an inquiry with the District of Columbia.

Mr. **BOYKIN**. I would appreciate that.

Ms. **NORTON**. When people are competing for these grants, it would seem to me one of the basis for competition is whether you have gotten jobs, and again, I am going on the basis of what I read in the newspaper and that is that people got money who continually do not get jobs.

Let me ask, you serve, the number was in your testimony, of 600——

Mr. **Boykin**. Over 600 people, we have graduated thus far.

Ms. **Norton**. In the metropolitan area?

Mr. **Boykin**. We say it is the metropolitan area, but probably 80 percent of those, 80 to 85 percent of those are Washington, DC, residents.

Ms. **Norton**. They leave DC to come out to——

Mr. **Boykin**. No. We are located on Potomac Avenue.

Ms. **Norton**. I see.

Mr. **Boykin**. We are in the District of Columbia.

Ms. **Norton**. So who pays? If the District Government has not provided you with money, who pays for these people to be trained by you?

Mr. **Boykin**. The donations that we get from the corporations, the Bell Atlantics, the Lucents, and——

Ms. **Norton**. While we are paying for people to get no jobs. And 80 percent of these people are——

Mr. **Boykin**. Eighty-five.

Ms. **Norton**. Eighty-five percent of these people live in the District of Columbia?

Mr. **Boykin**. Live, vote, and reside in the District of Columbia.

Ms. **Norton**. Now, I am going to ask you the most sensitive question. How many of your graduates continue to live in the District of Columbia?

Mr. **Boykin**. Except for Ricky Mozi that you talked about yesterday—no, realistically, the large portion of them still reside in the District of Columbia. I am sad to say that we have sent some out of State because they have had to relocate for varying reasons, because the jobs took them there. But when you look at the amount of money that they have been able to earn, and I am talking about people who have relocated who earn in excess of $50,000 a year, probably what you are looking at, the largest portion of them still living and working in the District of Columbia. If you wanted percentages, I could give you that. But the reality is most all of them still live here.

The **Chairman**. Maybe the reason you are so successful is that you did not get Federal funds.

Mr. **Boykin**. Do not say that. Then we will never get any.

Ms. **Norton**. I will assure you that I will write a letter to the Control Board and to the DOES and I will ask that the letter be included in the record so that we can find out what would be the reason that someone who had had your success has, in fact, not received money from the District of Columbia.

Mr. **Boykin**. I appreciate that.

[The letter of Ms. Norton follows:]

Ms. **Norton**. Thank you very much, Mr. Chairman.

The **Chairman**. Thank you all. We have had you here a long time and I appreciate it, but this is probably the most important panel that we have had. This is where the action is and the evidence we have had from Mr. Boykin and Ms. Eurick is great. If we could just pool all our resources together and learn how to work together, we can do it.

You have a daunting task, Ms. Ackerman and Ms. Harvey, and I recognize that and I am going to do all I can to make sure everyone else in the Senate and House recognize that fact.

Before adjourning, I would like to place the prepared statement of Geoffrey Jones, Principal of Thomas Jefferson High School for Science and Technology, who was unable to be with us today, into the record.

[The prepared statement of Mr. Jones follows:]

The **Chairman**. Thank you very much, and you now can go out and celebrate or whatever. The committee is adjourned.

[Whereupon, at 2:05 p.m., the committee was adjourned.]

[The appendix follows.]

APPENDIX

Prepared Statement of Stephen S. Fuller, Ph.D.

Good morning. My name is Stephen S. Fuller. I am Professor of Public Policy at George Mason University. My research over the past twenty years has focused on the economy of the District of Columbia and the surrounding Washington metropolitan area. My testimony this morning concerns the structure of the regional economy, its recent performance and near-term outlook, and the role of the District of Columbia in the health of the region's economic future. This discussion should help clarify the economic realities that will shape policies and programs that can effectively enable District residents to participate in and fully benefit from the region's strong economic future.

There are some economic facts that are important to understand as part of any discussion about the District of Columbia's economy and its opportunities for supporting future population growth and higher levels of income.

1. The Washington PMSA, with 4.5 million residents, is the sixth largest metropolitan area in the U.S.
2. Measured by its employment base, the Washington area's 3.1 million workers, place it fifth in the U.S.; we have more workers per household than any other metropolitan area.
3. The Washington area's gross regional product (GRP), the value of all goods and services produced locally, totaled an estimated $186 billion in 1997.
4. The District's economy accounted for 25 percent of the total 1997 PMSA's GRP.
5. The region's economy consists of four core industries—the federal government, the hospitality industry, technology-based businesses, and international business and related activities; these are the primary activities that drive the growth of the area's economic base. These are the primary sources of external growth. And, these core industries are ones in which the Washington area possesses significant comparative advantages relative to other regions in the nation.
6. While these core industries are interdependent (that is, growth in one generates growth in one or more of the others), their respective economic contributions can be estimated.

- The federal government spent just under $60 billion in the Washington metropolitan area during FY 1996 for all types of outlays; this accounted directly for 34.0 percent of GRP and, when factored up to reflect the indirect economic impacts of these funds circulating within the area economy, accounted for 55 percent of total GRP.
- The hospitality industry, which is strongly dependent on the area's national capital functions and attractions for its comparative advantage, generated a total economic impact of just under $10 billion in 1997, or approximately 5 percent of total GRP.
- Technology-based business in the region, the newest and faster growing component of the region's economy, accounted for an estimated 10 percent of GRP in 1997 or $18 billion in total economic impact.
- International business activities are the most difficult to measure as they are present in every sector in the local economy and often are not viewed as international because they involve business transactions that take place locally. Without getting into a long discourse on international business in the Washington area (the

Metropolitan Washington Board of Trade will be releasing a comprehensive study on the area's international business activities and their economic impact in February or March), their total economic magnitude (including the activities of foreign governments, international organizations and associations, tourism, higher education, and business, financial, and technical and other professional services conservatively add up to at least $15 billion or 8 percent of GRP.

7. Three of these four core industries are strongly tied geographically to the District of Columbia—all but technology-based activities. This recognition is important in formulating economic development strategies designed to build on the inherent strengths in the District economy in attempting to jump-start the economy and position it for continued future growth and higher productivity and income levels.

8. As these core industries have experienced different patterns of performance over the past three decades and their relative importance in the District and suburban areas has changed, the economies that have emerged in the District today and in the suburbs are becoming increasingly different. The suburban economy has become more diversified and more like the economies of other metropolitan areas with the private sector accounting for an increasing proportion of new growth. This economic structure has made the suburban economies more cyclically sensitive.

When economic times are good, as they are now, unemployment drops well below the national average—its currently under 3 percent in the Washington suburbs. Meanwhile, the District economy has become more narrowly focused on federal and national capital functions. It has become less diversified. This narrow focus can protect it from cyclical forces in the national economy but if its core business weakens or declines, the impacts of this sectoral dependence will have disproportionally large impacts. That has been the result of federal downsizing that began in mid-1993 with its disproportional effect on the District employment base.

9. The consequences of these changes in the area's economic structure can be clearly seen in recent employment shifts. These have resulted in accelerating change in the area's private sector/public sector split. In 1970, almost 40 percent of all jobs in the Washington area were in local, state or federal government; today that share has dropped below 23 percent. Since the beginning of the recovery in 1992, the private sector has generated 230,000 net new jobs while the public sector has lost 50,000 net jobs.

With the decline in government jobs occurring almost exclusively in the federal sector and in the District government, these job losses have been concentrated in the District. As a result, these sectoral changes have shifted jobs from the central city-the District of Columbia—to the suburbs. Consequently, there has been both an important structural change in the area economy with the private sector becoming the principal source of new economic activity and job growth, and an accelerated shift of economic dominance to the suburbs at the expense of the central city.

This geographic shift is common in all metropolitan areas and in most cases has frequently resulted in the relocation of the core industries from the center to the periphery leaving the central city devoid of economic drivers. Fortunately for the District of Columbia, the region's core industries are both highly interdependent as well as strongly linked to the District. So, while the job growth in the region has substantially favored the suburbs for many years, the central city remains an integral and important component of the region's economy.

10. So what does this mean for the region's economic future? The District of Columbia is an important source of the region's economic strength and future suburban economic growth. Research (Fuller, December 1996) has shown that economic growth in the District generates important economic benefits in the suburbs. On average, for each $1 increase in the District's Gross State Product (with gains coming in business services, communications, finance, and retail trade), the resultant economic benefits captured in the suburban economy totals $1.50 or more.

11. Why is this true? It reflects the substantial interdependencies that exist among the core industries, their related or complementary economic activities, and the high mobility of labor, personal income, consumption expenditures, and capital within the metropolitan area. What this means is that there is little benefit from looking at just one geographic or political entity when attempting to forge a solution to a particular local economic problem.

Solutions to the District's economic problems, such as unemployment and underemployment, slow job growth, low labor force participation, and access, to jobs do not lie exclusively within the boundaries of the District. (The same is true for any of the area's other jurisdictions.) The solutions to these problems must involve the suburban economy. Not only will the District economy and its residents benefits from enlarging the geographic basis for a solution, but the suburban economy will also benefit. These areawide benefits will include higher factor productivity (the multipliers in the suburbs are higher), a better match of labor resources to labor requirements, a wider distribution of personal income and thereby strengthening the residentially based economic activities that help to stabilize neighborhoods and support community development.

12. The principal constraint to the District's and region's economic expansion at this time and into the foreseeable future—the condition constraining realization of the local economy's full potential—is the shortage of qualified labor resources. While this problem is most visible within the area's technology businesses where current shortages are reported to exceed 18,000 in Northern Virginia alone, there are shortages in all sectors and all skills levels.

This problem points to its own solution. The key is better basic education, targeted job training and retraining, and continuing educational opportunities designed for all age groups and disciplines. Significant steps are already being implemented in both Northern Virginia and Suburban Maryland to address these shortages and shifts in job skills requirements. Similar programs should be put in place immediately in the District to take advantage of the tight job market in the suburbs and by doing so, to bring income back into the District to be spent locally, thereby simulating new local economic growth.

This, of course, is only a short-term solution but it will have immediate positive impact on the District's economy while also helping to generate additional growth the metropolitan area economy. This is a win win situation but time is of the essence. The economic conditions supporting the present strong demand for qualified workers will not last forever. With the economy expected to cool down this year and with only moderate growth forecast for 1999, taking advantage of this strong labor market now, this year and next, may be the extent of this unusual opportunity, where there is pent-up labor demand in the suburbs and surplus labor resources in the District. Conditions beyond 1999 may not be as favorable as they will be this year and next.

13. In the long run, the District's economic future will depend on producing a better qualified indigenous work force. If the better paying jobs in the District continue to be filled by suburban residents, the benefits of the District's economy will continue to leak out to the suburbs. In order to capture more of these locally based benefits within the District, while at the same time giving District residents the ability to complete for jobs anywhere in the metropolitan area, the basic educational skills of the District's residents must become competitive with those of the resident work force in suburbs.

Besides preparing the District's youth for an economic future in which they can grow and benefit and contribution to the national economy, having the educational facilities and resources and reputation for quality outputs—graduates—will help make the District more attractive as a place in which to live for families with school age children. This is key to the long-term survival of the District of Columbia as a place to live and work where the quality of life is competitive with other locations in the metropolitan area.

And, without a substantial improvement in the quality of educational facilities and programs, the District's role in and contribution to the metropolitan area's economy will continue to rapidly diminish and, as a place to live, the District will continue to experience large-scale losses of families with children. The end result of the continuation of current trends will be a monumental city and not a living and working capital city that truly could become a model for other central city-suburban solutions that demonstrate the regional and distributive benefits of metropolitan economic integration.

PREPARED STATEMENT OF ARLENE ACKERMAN

Mr. Chairman, I want to begin by reiterating something that General Becton said yesterday: we at the District of Columbia Public Schools are tremendously grateful to have you as an ally and advocate in the United States Senate. Your long record of involvement in the Washington, DC school system is truly impressive. In addition to your legislative efforts on our behalf, your own personal activities exemplify the kind of community involvement in our schools that we must generate across this city, because it does indeed take a village to raise a child.

Through a wonderful reading program called "Everybody Wins," you read every week with a student at Brent Elementary School. In addition, you've convinced many of your colleagues in the Senate and members of their staff to do the same. As the first honorary chairperson of DCPS' new literacy program, "Everybody Reads," you helped us kick-off an effort to recruit a reading tutor for every District second grader who tested "below basic" in reading on the Stanford 9 Achievement Test. Most recently, you brought together athletic equipment makers, health and fitness faculty from American University, and DCPS' school health staff in a private-

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public partnership to give students access to high-quality athletic equipment and fitness programming. This effort, called "Operation FitKids," will help DCPS students train their bodies, and their minds, to succeed in the increasingly competitive world of work after graduation.

You requested that I focus my testimony on academic achievement and, more specifically, on DCPS' plans for ending social promotion and improving the skills proficiencies of our students. Last month, we released the school-by-school results of the standardized reading and math tests administered in DC public schools last spring. The results revealed that we are indeed facing an educational crisis in the District's public schools. To begin the reversal of this decline in academic achievement, we must marshall all the resources available to us and respond to the crisis in a highly focused manner. We must have high expectations for our children and we must refuse to tolerate complacency and/or excuses from their teachers, principals or central administrators. We must convince people from across the entire community—parents, neighbors, and corporate representatives—that they have a critical role to play in turning this system around.

When I arrived at DCPS in September, I immediately began working on an educational support plan for improving student achievement. That plan reflected a clear vision—to make Washington, DC's school system exemplary by the year 2000—and a mission—to make dramatic improvement in the achievement of all students. It was framed by my five core beliefs:

- Children First
- Parents are Our Partners
- Victory is in the Classroom
- Leadership and Accountability are the Keys to our Success
- It takes a Village to Raise a Child

The plan includes the following key components: Standards, Accountability, Safety Net Programs for Students at-risk of Nonpromotion, and Public Engagement.

Content Standards for Students

We have developed learning goals for students, and clear benchmarks by which to measure their progress. We also have identified the skills in reading, writing, and math students should master, on a grade-by-grade level, so that parents can easily evaluate their progress, and we are training parents to use those guidelines. In fact, we recently began publishing a newsletter for parents and, in the first issue, we focused on what parents should expect from their children in the areas of reading and writing. The next issue will focus on expectations for mathematics. (The newsletter is provided for your review).

We also are phasing in new standards for high school students to end the practice of graduating seniors who have accumulated the required number of Carnegie Units regardless of their skill levels. Specifically, we will require this year's tenth graders who are reading below basic to pass a reading proficiency exam to graduate. In addition, beginning with School Year 1998–99's ninth grade class, all students will be required to have a 2.0 cumulative grade point average to graduate.

Accountability

Annual Performance Reviews for Schools and Principals

We also developed an annual performance review for schools, which will include the following criteria: achievement (including test scores, drop-out rates, attendance of staff and students, and writing ability), school climate, market share, and school leadership. School leadership will be measured by staff and parent surveys, while school climate will be measured by surveys of parents, staff and students. *Schools will be given* specific, measurable targets for improvement, and I have proposed that schools failing to meet these targets be *considered for reconstitution*.

Principals will be evaluated on similar criteria. Fifty percent of their evaluation will be based on academic achievement. This sends principals the clear message that their top priority is helping their students to perform better. The remainder of the principal evaluation will be based in equal shares on school climate, including discipline and attendance issues, parent and community involvement, fiscal management, staff management, and school leadership. A new evaluation tool for teachers is under development and will be implemented in School Year 1998–99.

Promotion Gates for Students

This year, *promotion gates will* be implemented for second, third, and eighth graders. Second graders who are not reading at the "basic" level will not be promoted to third grade, and third graders who are not reading at basic and performing on a basic level in math will not be promoted to fourth grade. Promotion decisions for eighth graders will be based on comprehensive assessments (including grades, classroom teacher input, and reading and math test scores).

Safety Net Activities

In order to support our students and our schools, we are implementing a range of safety net activities. As you know, we recently launched our literacy campaign, "Everybody Reads," through which we hope to match every second grader who is reading below basic with a tutor for twice-weekly reading sessions. We are coordinating this effort with the many groups around this city that already are working to improve literacy in our schools, including "Everybody Wins," and "DC Reads." In fact, we held a summit on literacy yesterday to bring these groups together, share information, and develop strategies for closer coordination.

In addition, we are requiring schools to report to us quarterly on student progress (including their remedial efforts) and also to notify parents of students in danger of nonpromotion each quarter. All targeted assistance schools are implementing after-school tutorials and/or Saturday Academies and whole school redesign programs (in fact, we're encouraging all schools to explore the use of research-based reform models). We are working to identify sufficient funding to offer summer school for all students performing below basic in reading or math, with first consideration being given to students in the benchmark grades.

Finally, we are preparing to launch Operation SOS (Save Our Students), an all-out offensive to improve student achievement. By the beginning of the second semester, Operation SOS will have put the following additional supports in place:

In all schools:

- test preparation materials to support the Stanford 9
- software to support the reading and math skills tested in the Stanford 9
- computers in all second and third grade classrooms
- professional development on integrating technology into the teaching of reading and math
- special training in test interpretation for teachers and principals

In targeted assistance schools (in addition to all of the above):

- school audits and revision of achievement plans
- $5,000 extra funding for tutors, extended day activities and Saturday Academies
- on-site training for staff in reading

We also are going to reward schools that are achieving, by providing those schools with the greatest improvements in student performance with additional funds and by publishing exemplary practices in those schools so that they can be replicated across the system.

Public Engagement

Finally, we are trying to engage the public in this critical effort, because we must have their help to succeed. As I have said, I truly believe that it takes a village to raise a child, and I am doing my best to convince the Washington, DC community that this is the case. We created a new position for a Parent Coordinator and began publishing the newsletter I mentioned earlier and providing training to parents on what they should expect from their child's school and what their role is in their child's academic success. We will begin holding community forums in February, to share information about the new standards and promotion requirements with the public, and we have asked all citizens of the District to join our literacy effort by tutoring one of our second graders twice a week. I am pleased to report that over 100 central administrators already have applied to participate in this program. However, we need more volunteers, so anyone who is interested should contact Ms. Linda McKay, at (202) 724–4235.

Other Issues

As you can see, we are very focused on core skills, especially literacy, this year. We must do this because the test scores showed that our students have substantial deficits in these areas. Unless students are proficient readers, it is extremely difficult for them to succeed in other subjects. We have not overlooked the importance of school-to-career programs and technology training, however. I know that making school relevant to students is critical to keeping them engaged in the learning process and that linking school to work is a highly effective way to do that. In addition, the metropolitan Washington economy is thriving, and the region's employers have high-skill, high-wage jobs to offer our graduates. I believe my job is to make sure

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our students leave DCPS with the skills they need to succeed, whether it is in college or in our high-tech economy.

Thank you, again, for the opportunity to testify, and for your continuing support. I would be happy to answer any questions.

IMPROVING STUDENT ACHIEVEMENT
THROUGH RIGOROUS CONTENT INSTRUCTION AND ASSESSMENT

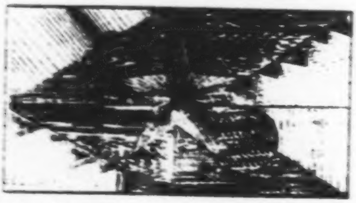
A Publication From the Office of the Chief Academic Officer

Vol. 1, No. 1 Winter, 1997

The Vision:
To make the Washington D.C. school system exemplary by the year 2000

The Mission:
To make dramatic improvement in the achievement of all students today in preparation for their work tomorrow

Core Beliefs:
- Children First
- Parents are Our Partners
- Victory is in the Classroom
- Leadership and Accountability are the Keys to Our Success
- It Takes a Village to Raise a Child



iene Burgge, grade 11, Anacostia Academy High School, Music & Performing Arts Academy

Inside

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- What Should You See in the Classroom 4
- Understanding Test Results 5

Dear Parents,

I am pleased to send you the first issue of our new publication for parents. This issue describes our expectations for your child in the areas of reading and writing. We believe that building and strengthening your child's literacy skills is one of the most important jobs that we do in our schools.

While this publication focuses on literacy, the next issue will describe our mathematics expectations and provide information on testing in mathematics.

I am also sharing with you some information on the Stanford Achievement Test, Ninth Edition (SAT-9). This test is important in measuring your child's progress and readiness to move to the next grade level.

Please join with us in making certain all children achieve high academic standards. Ensuring that all students make dramatic improvement in achievement requires a powerful home-school partnership. We need your help!

Sincerely,

Arlene Ackerman

Arlene Ackerman
Chief Academic Officer

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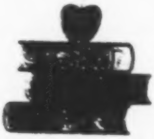
The Word is Standards

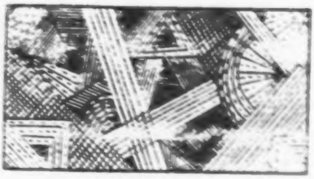
The District of Columbia Public Schools (DCPS) is becoming a standards-based system. What is meant by standards? Standards are part of our daily lives. They are used to measure whether we meet expectations or criteria that are set.

There are standards, for example, for getting a driver's license. There are certain things we need to know and be able to do in order to get that license. We must meet a performance standard by achieving a certain score on the written test and on the road test.

In schools, standards are being set for each subject area that describe the key concepts and essential skills that students should know and be able to do. DCPS performance standards will measure how good is good enough for demonstrating the content and skills.

In standards-based classrooms, what is important is the quality and quantity of student work. Students and their parents need to know what is expected and what are examples of work that is good enough to meet the standard.





Tamika Smith, grade 12, Anacostia Academy High School, Music & Performing Arts Academy

Key Terms

The following is a list of terms that you need to know:

Assessment = Observation/test/measurement of what students know and can do

Benchmark = Statement of skills and content that students must demonstrate at a specific point to show they are making progress; for example: grades 3, 5, 8, and 11

Content Standard = What students should know and be able to do in a particular content area

English/ Language Arts = The content area that includes reading, writing, listening, speaking, and viewing

Performance Standard = How good is good enough for students to meet the standards

SAT 9 = Nickname for the 9th edition of the Stanford Achievement Test, the standardized test that is now given to all DCPS students

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BENCHMARK EXPECTATIONS

Teachers have received documents which state what students must do to show they have achieved the standards. The critical benchmarks are at the end of grades 3, 5, 8, and 11. The English/language arts benchmarks are for reading and writing. There are also benchmarks for listening, speaking, and viewing. Here are the summary charts for reading and writing:

READING BENCHMARKS

End of grade 3	End of grade 5	End of grade 8	End of grade 11
Each student: • reads short chapter books and some materials without pictures with accuracy and comprehension • reads the equivalent of 25 books per year • locates simple facts using a variety of references • connects text and personal experience • compares/contrasts texts, poems and stories • chooses text of personal interest • uses several reading strategies	Each student: • reads both fiction (from at least 3 literary forms) and non-fiction with accuracy, fluency, and comprehension • reads the equivalent of 25 books per year • reads and uses directions; identifies, locates, and uses reference sources • recognizes different points of view and cultural perspectives in materials read • evaluates own reading progress and sets goals • compares/contrasts literary works: e.g., poetry, fables, stories, and novels	Each student: • reads fiction (from at least 3 literary forms) and non-fiction with accuracy, fluency, and comprehension. The reading should include contemporary works and informational material • reads the equivalent of 25 books per year • selects and reads several sources on one topic • recognizes different points of view and cultural perspectives in materials read • evaluates own reading progress and sets goals • compares/contrasts critical elements within and between texts	Each student: • reads fiction and non-fiction at an adult level with accuracy, fluency, and comprehension • reads the equivalent of 25 or more books per year • recognizes different points of view and cultural and historical perspectives in materials read • compares/contrasts critical elements in texts • critiques research findings

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WRITING BENCHMARKS

End of grade 3	End of grade 5	End of grade 8	End of grade 11
Each student:	Each student:	Each student:	Each student:
• writes an effective story, personal letter, and brief report • edits and revises written work (grammar, spelling, etc.) • writes for peer audiences • uses technology for publication of some work • evaluates own writing against specific criteria and revises text • illustrates writing with drawings	• writes an effective procedure or set of instructions, research report, detailed narrative, and response to literature • writes for peer and adult audiences; uses technology for publication of work • evaluates own writing against specific criteria and revises work • illustrates with drawings, diagrams, maps, charts, photographs, etc. • uses the internet to collect information • organizes ideas using outlines, graphics, etc.	• writes an effective procedure or set of instructions, business letter, research report (including a bibliography), detailed narrative, persuasive or evaluative essay, and response to literature • applies written forms to real life situations • designs and presents projects which integrate all of the language arts and technology • evaluates own writing against specific criteria and revises work	• writes an effective explanation of a procedure in the student's area of expertise, letter of application and resume, research report, reflective essay, persuasive or evaluative essay, response to literature, and journalistic account • edits and revises written work • designs and presents real life projects which integrate language arts, other curricular areas, and technology • evaluates own writing against specific criteria and revises work

What Should You See in the Classroom?

[illegible]

- All students engaged in learning
- Students working individually, in small groups, and with the whole class
- Clear expectations stated for quality student work
- The focus of attention on the students, not on the teacher

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Literacy Tips for Parents

1. [illegible]
2. Buy [illegible] gifts for your child.
3. [illegible] child help you [illegible]
4. [illegible] box [illegible]
5. H[illegible]
6. [illegible] tives and friends [illegible]
7. [illegible] your child today [illegible]
8. Make sure you and your child have [illegible]
9. Read a newspaper to or with your child [illegible] reading.
10. [illegible] ways to help your child read.

1997-98 Calendar

September 22
First day of school for students

October 13
Columbus Day (Holiday)

November 11
Veteran's Day (Holiday)

November 13
End of first grading period

November 14
Staff Development Day; students not in school

November 27 - 28
Thanksgiving Holiday

December 24 - January 2
Winter Vacation

January 19
Martin Luther King, Jr.'s Birthday (Holiday)

January 27
End of second grading period

January 28
Staff Development Day; students not in school

January 29
First day of second semester

February 6
Parent/teacher conferences; students not in school

February 16
Presidents' Day (Holiday)

April 6 - 13
Spring Vacation

April 14
End of third grading period

April 17
Staff Development Day; students not in school

May 25
Memorial Day (Holiday)

June 19
Last day of school for students

IMPROVING STUDENT ACHIEVEMENT is funded by the U.S. Department of Education: English/Language Arts and History Curriculum Framework Project and the District of Columbia Public Schools.

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ASSESSMENT

Understanding Test Results

This fall, students in grades 1 through 11 were tested in reading and mathematics, using the Stanford Achievement Test, Ninth Edition (SAT-9). Students were tested on their grade level to determine what content and skills they already had and what they would need to learn this year. They will be tested again in the spring to determine their progress.

You will be notified by your local school when the results from the November testing are ready to be shared with parents. We hope that you will make an appointment with your son's or daughter's teacher to discuss these results and to plan to support your child's academic progress.

The most important results for academic planning are reports that show how close your child is to reaching the standard for that grade. The report will show exactly what your child is able to do and how well he or she can do it. For example in reading, the content and skills are broken down into several subtests. The reading subtests are listed on the chart below, along with the grades at which they were tested.

Stanford 9 Reading											
Subtests	1	2	3	4	5	6	7	8	9	10	11
Sounds and Letters	√										
Word Study Skills		√	√								
Word Reading	√	√									
Reading Vocabulary			√	√	√	√	√	√	√	√	√
Sentence Reading		√									
Reading Comprehension		√	√	√	√	√	√	√	√	√	√
Open-ended Assessment				√			√			√	

Your child's report will show his or her performance on each of the subtests. This enables the teacher and you to plan for your child's specific instructional program. Be sure to ask the teacher any questions you may have about these reports.

When working with your child at home, there are many things you can do to assist him or her. You can show him/her that academic success is important by providing a good place to study, with the television set off. You can also discuss homework, asking questions that require thinking, like "How do you think the boy in the story felt?" or "What was the main idea in the story?"

Test results give us a lot of information that we can use to help your child succeed in school. We will work with you this year to bring about a higher level of achievement.

PREPARED STATEMENT OF ERNEST T. BOYKIN, JR.

Good morning, Mr. Chairman, and committee members. My name is Ernest Boykin, president of CAPITAL COMMITMENT INCORPORATED, a non profit telecommunications training school located here, in the District of Columbia, which my wife LaVerne and I began in the summer of 1991.

CAPITAL COMMITMENT has been our attempt to fill a persistent void, that we identified, in an industry that has been acclaimed to have the highest growth potential, telecommunications.

The story has been of fairy tale proportions, with no real monetary rewards for us, but a great feeling when you go to bed at night knowing that you helped to change someone's life.

After holding a number of executive positions at MCI and SPRINT, my wife, LaVerne came home and advised me that we were quitting our jobs and were going into business for ourselves. It just happened that we chose to enter the nonprofit arena because of the immediate impact that we might generate in our community. You see the telecommunications industry, by all accounts represents $900 billion annually, with workforce that is less than one percent minorities and women. This is where we chose to offer parochial training to the disadvantaged. That would include single parents, at-risk youth and the homeless of the Washington metropolitan area. The idea being that the family structure would be better served if the parents worked and created a positive role model for children to aspire to be like.

Our first class was eight (8) homeless men from the Community Action Group, Holy Comfort and Saint Ciprian here on Capitol Hill. We not only trained them in the intricacies of telephone installation, but also found them permanent jobs! Since that time, we have trained and graduated almost 600 residents of the metropolitan area. Of those, 93% are now working in telecommunications careers with annual incomes averaging at least $25,000 per year. Despite the fact that we are probably the most successful "welfare to work" programs in the city, we are not getting "ONE DIME" from the District government.

We work in concert with other community-based organizations to provide all of the necessary outreach services like Anacostia UPO for emergency food and shelter, Concerned Citizen for Alcohol and Drug Assistance and Covenant House. The idea is that each of these social service providers has their own area of expertise and should be fully utilized to fulfill its mission, not be forced to compete for the same dollar from a dwindling pot.

We are more than happy when one of our graduates is able to purchase a home, get married, get back together with their families and children; positive results when there is a stable home environment, predicated on a solid career foundation.

We have found that the LIFESKILLS component of our training is probably more important than the technical skills aspect. The reason is that young people are simply not bringing all of the necessary attributes to the workplace to realistically gain and retain employment in today's competitive society. We have to take the time to establish new discipline in the individuals, relative to punctuality, consequences and work ethic. It is often necessary to visit museums, libraries and even cemeteries to show how we all fit into the societal picture.

The lifeskills component consists of math and language remediation, (to help in test taking) public speaking, conflict resolution and critical thinking, all necessary tools that often equate to success. Unfortunately, skills that did not seem to be mastered in early life and could spell doom for their careers. Especially when the jobs that they are competing for are in other jurisdictions that place an emphasis on this type of structure in primary learning.

My biggest concern comes with "workfirst" the present so-called welfare reform. The statute, as I understand it says that recipients no longer will be permitted to simply attend training programs to fulfill their obligation; that they must devote 20 hours per week to some type of work experience. How can you be in training with me for six hours a day, then run off to a part time job in order to keep your subsidy? Most feel that they cannot do both. The work schedules often will not permit both. My homework schedule will not permit both. So effectively, organizations like mine will be forced out of business.

We looked at our first 500 graduates. Of them 78%, or 379 of them were receiving some form of public assistance. At an average of $15,000 per year, that equated to $5.6 million, in taxpayer dollars. These same graduates, now earning an average of $25,000 per year, lend $9.5 million to local economy; or $15 million, when you consider that they no longer need to accept public assistance.

We have demonstrated that success can be derived from a combination of public and private initiatives, but we cannot go it alone. *Corporations work with us,* because as good corporate citizens, it is the right thing to do. However, they cannot shoulder the entire welfare burden when they finance, recruit and hire from programs like ours. Local government must be held accountable to step up and do their part.

PREPARED STATEMENT OF LAURIE EURICK

Mr. Chairman, members of the committee. My name is Laurie Eurick. I am a Lucent Technologies director for our Minority and Women-Owned Business Enterprise programs. I am also a board member of Capital Commitment here in the DC area. Today I am pleased to have this opportunity to share with you information on what I believe has been a model relationship between private industry and a nonprofit workforce development organization.

First, however, I would like to share with you a little of Lucent Technologies' experience with educational, workforce development and business development programs for minority and women communities over the years. Lucent Technologies, through Bell Laboratories and our philanthropic foundation, has for many years sponsored undergraduate scholarship programs and graduate fellowships that help minority and women students obtain post-secondary degrees. The students who have come through these programs have been, without question, among not only the best and brightest of the segments of society they come from, but also of American society as a whole. These students have gone on to make tremendous contributions to society as scientists and engineers, educators, entrepreneurs and public servants and, many of them are today strong contributors in the Lucent Technologies workforce. The students we have supported have come from across the socio-economic spectrum, but a common thread among them was that they were bright, gifted students who were in need of only the financial support and mentorship that a high-technology company like ours could offer.

On another front, Lucent has for 30 years managed a program for minority and women business enterprises. This program focuses on increasing the amount and value of products and services we procure from MWBE-owned businesses annually. Our program continues to grow in actual dollar value and as a percentage of our total procurement budget annually. In our 1997 fiscal year, Lucent Technologies purchased more than $900 million in goods and services from MWBE suppliers. We continue to focus on this area and believe this type of program is beneficial both to Lucent Technologies, to the communities in which we live and work and to important segments of our customer base. We are very proud of our heritage and our successes in working with the community and with Minority and Women Owned Businesses as a part of our overall corporate strategy.

With the help of our customers and our employees, we continue to explore ways in which we can include community involvement in our business strategies. For example, in 1997, we conducted extensive market research to better understand how customers view community involvement and its importance to their purchasing decisions. The results have lead us to explore expanding our activities to include more involvement with community action organizations. Our research showed that customers believe that it's favorable for companies to be *seen in* their local communities and to be *see employing from* their local communities. It was notable to us that this response was consistently positive for all demographic groups, irrespective of ethnicity or socio-economic level. At Lucent, we have engaged some of our large corporate customers to add more community involvement to our already successful MWBE vendor program. We continue to explore other inclusive initiatives, like Capital Commitment, and programs in Empowerment Zones, Enterprise zones and with Community Development Centers (CDCs).

It's our work with Capital Commitment that I would like to highlight today. Lucent has been working with this organization since 1995. We've contributed cash, equipment and volunteer resources to provide training programs in communications systems installation and maintenance. In return, Capital Commitment has provided Lucent with many skilled candidates for our telecommunications technician positions. Capital Commitment's results speak for themselves—a 98 percent placement rate with an excellent retention record in its first six years of existence. The relationship is one that's been beneficial for Lucent, and I believe it's been beneficial for the community. In short, it's just good business.

Mr. Chairman, we are pleased that you and your committee have chosen to examine how organizations like Capital Commitment are able to be successful. Clearly, one important factor is access to the resources needed to provide the quality of training necessary to qualify graduates for the highly skilled and well-paid jobs available in the telecommunications industry. We at Lucent hope that this committee will explore ways of expanding the amount of resources that can be made available from both the public and private sectors. The need for training and workforce development in the District of Columbia and across America continues to grow and far exceeds the resources that corporations and community-based organizations can commit on their own. The following are some areas where additional resources would be useful:

- Funding for distance learning centers that could be networked together to bring access to scarce training resources to local communities and community-based organizations.
- Increasing the availability of capital equipment that can be used for training purposes. Good quality training programs in high technology industries can be capital intensive. This is certainly true in the field of telecommunications. Just as Lucent Technologies has moved retired equipment to organizations like Capital Commitment for training purposes, government agencies could do likewise when they upgrade their existing telecommunications facilities.
- Increasing the availability of corporate tax credits and other incentives that would make it less difficult for companies to contribute resources to community action programs.

Finally, today, at a nationwide level, these kinds of workforce development programs can be looked upon as a collection of independent experiments without the benefit of formal coordination or collaboration. It appears to us that both the public and private sectors could more efficiently use their collective resources if there were national, industry-specific, strategies or plans for addressing education and workforce development in economically disadvantaged communities. Developing such plans would, among other things, facilitate the sharing of information about this and other successful programs. It would allow us to better understand not only what has and has not worked well in come communities, but also to understand why some programs succeed and others fail. Knowing that, we could find ways to create networks of community-based programs, supported by public and private sector resources, that could achieve maximum benefit a minimum cost. Our collective goal should be to improve the efficiency and effectiveness of how we use our collective resources. After all, those resources come from the pockets of the American public as taxpayers and corporate shareholders.

We at Lucent are encouraged by the results we've seen in working with Capital Commitment. We hope sharing information about our experience will lead others to support programs such as this one and that with a better partnership with government we can duplicate the successes of Capital Commitment elsewhere. Thank you for the opportunity to share our views with your committee and we wish you the greatest success in your efforts.

PREPARED STATEMENT OF PATRICIA A. HARVEY,

Good morning Senator Jeffords and members of the committee; thank you for the opportunity to participate in this very important discussion. My name is Pat Harvey. I've spent almost 30 years working with children who are at risk. I have taught them, been the principal of a school in one of the most impoverished areas in Chicago, and held numerous district-level administrative positions including Chief Accountability Officer on Chicago's current management team. I am now a senior fellow at the National Center on Education and the Economy working with the District of Columbia Schools and other urban school districts across the country. If there is one thing I've learned from my work and the work of others it is that all but the most severely handicapped children when provided with an effective instructional program and opportunities to learn do in fact achieve at high levels.

My remarks today are focused on *five* key elements to raising achievement of students at risk.

• Provide a Standards-based program

It all begins with standards. Performance standards make clear what kinds of student work will meet the standards, provide clear guidance to teachers as to what they should teach, and tell students what they need to know and be able to do. Standards drive every aspect of the educational program, and should be followed by a coherent, powerful curriculum, and matched assessments. Too often this is not true in schools that serve large numbers of at-risk students.

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• Focus on literacy first

Reading is the basis of all learning. If students can't read, then they can't do much else. We need to begin working with at-risk children as early as possible, getting them in schools or bringing school-related experiences to them. A number of programs in various cities are making excellent progress using this strategy.

We must organize our schools to focus first on literacy. It's easier not to let students fall behind than it is to catch them up. A strong phonics based program with reduced class size in the early grades, adequately trained teachers, and extended learning time provided just in time will help to ensure that at-risk students get off to a good start in school.

• Acceleration instead of remediation

One of the biggest mistakes educators make is choosing to remediation instead of accelerate. In remediation, educators determine the student's instructional level and put groups of students on similar levels together in tracks; teachers then use instructional materials that can be as many as three or four years below the child's grade level. Teachers begin instruction on page one and go right through to the end of the text. The curriculum in the textbooks is a mile wide and an inch deep, and structured to take at least a school year to complete. Students who start out behind or in some way fall behind are never provided opportunities to scale up in order to catch up with their counterparts.

Dr. Wilbur Brookover, author of Creating Effective School says, "Why are we continually surprised that when we teach sixth graders at the third grade level they score ready for fourth grade level at the end of the year? They learned what we taught." We now know that in order for at-risk students to make up for the gaps in their learning, we must provide high level instruction that is focused on the core curriculum essentials and provides the opportunity to scale up in the shortest time possible to where we would like them to be. The many schools across the country that we see making great strides in achievement with at-risk students are using acceleration models.

• Invest in professional development

Education, like every other field, is changing daily both in terms of content and methodology. The one thing we know is that if this nation is to remain competitive with the rest of the world our teachers must get the kind of training that takes into account the needs of the future. Investment in our educators' professional development is not a luxury,but a necessity.

To be effective, professional development needs to be focused, connected to school goals, and ongoing. Training that involves introducing new teaching methods should include opportunities for teachers to see the new skill practiced, and some follow-up assistance once practice begins.

America is not investing enough time or money in professional development. The issue of time for teacher training has many dimensions to it. One problem is that all but a very few minutes of the regular work day as well as time before and after school is spent providing direct services to students. So finding time for training is very difficult. Scheduling training outside of the regular workday sometimes presents another problem: attendance at the training becomes voluntary, and often those that need it the most don't attend. The number of hours in the workday and year needs to be increased to allow more common planning time and time for training

• Hold everyone accountable for performance

Begin with the students themselves, and include everyone up and down the line. All of us must be held accountable for student results. The recent improvement in Chicago's schools shows that when people know they are going to be held accountable for student achievement, then they will move heaven and earth to make it happen.

I have a friend who tells her students every year that she only gives A's and B's. She doesn't mean that she will dumb down the program. Just the opposite; she means that she will bring all her students—willingly or kicking and screaming—to high levels of achievement. She provides high-level student activities that engage students in solving real-world problems and completing meaningful projects. She works with students before and after school. She visits the homes of her students and gets parents involved. She is relentless.

Educators across the country are wrestling with how to build effective accountability systems; the National Center on Education and the Economy is helping many of them to reach their goal. I would like to enter into the record of this hearing along with my testimony two papers written by Marc Tucker and Judy Codding who head the National Center that explain our views on standards and accountability. For us it includes the following steps:

1. Beginning with a strong and effective standards based program,
2. Deciding what indicators that will be used to drive the incentive system and the measures of progress you will use.
3. Developing incentive systems (systems of rewards and consequences) that will motivate students to reach the student performance standards,
4. Developing rewards and consequences for school faculty, and other district employees that will reward those who contribute to improved student performance and provide consequences for those who fail to do so,
5. Creating a resource allocation system that will align control over resources with accountability for results,
6. Creating an organizational structure for accountability in which everyone knows what he or she is responsible for and responsibilities are distributed in a way that corresponds to accountabilities.

In closing, what works with at risk students is to start early, focus on literacy, use an acceleration model, provide ongoing professional development, and to develop a district wide system of accountability.

Again, thank you very much for asking me to contribute to your discussion.

PREPARED STATEMENT OF TOM DAVIS

Thank you Senator Jeffords for convening this hearing on "Education and Workforce Development in the Washington, DC Metropolitan Area." I appreciate the effort you have invested in this important subject matter as Chairman of the Senate Committee on Labor and Human Resources. This hearing is timely and fortuitous, as it coincides with developments that concern me greatly as Chairman of the House District of Columbia Subcommittee.

Just this week the Control Board released the results of a Performance Audit on District of Columbia Public Schools that was highly critical of contracting and procurement practices in place during FY '97 for capital improvement projects. I have just had an opportunity to review this Audit, and I must express my most profound concern. This Audit comes on the heels of the shocking news last week that "signing bonuses", plus additional money to cover the taxes on the bonuses, had been authorized for 3 top school officials, including Gen. Charles Williams, Chief Operating Officer. While the scheme to cover the taxes, called "grossing up", has been rescinded, I am nevertheless grossed out by the entire spectacle. At no time was Congress advised of these bonuses. Had I been consulted, I would have strongly urged a different course of action. In addition, an article in the Washington City Paper late last week provides a truly astonishing allegation, thus far not denied, of a use of substantial school funds in a totally inappropriate manner.

Accordingly, I am announcing today that the House DC Subcommittee I chair will commence a series of hearings next week, on Friday, January 23, that will attempt to establish the facts regarding these education issues and hold people accountable where necessary. I also intend to request that the General Accounting Office look into the school system to help Congress determine what funds were used and what authorizations, if any, school officials may have had for questionable expenditures.

Everything Congress has learned confirms my belief that lack of money is not now and has never been the main problem involving education in the District of Columbia. As the Washington Post editorialized on January 2, 1998, the "critical challenge facing the District school system . . . is the well documented, abysmally low academic achievement levels in the classrooms." Recent events have re-confirmed that Congress was correct to reject the supplemental funding request forwarded to us last spring. The advice we were given then by Chief Financial Officer Anthony Williams has been borne out by subsequent events.

I understand Senator Jeffords that you have made many well-intentioned proposals over the years regarding a de facto commuter tax and a regional school board for this region. You have heard me express my grave opposition to these suggestions in the past, and I will not trouble you with a reiteration of my strongly held views. Suffice to say that I associate myself with the remarks I understand Senator John Warner made on Tuesday in that regard, and will only emphasize that if additional resources are necessary for the Nation's Capital beyond existing locally generated revenues, that is a burden properly shared by the nation as a whole.

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Thank you again Senator Jeffords for the hearing you are holding and for the opportunity to express myself on some of the pertinent issues.

PREPARED STATEMENT OF JAMES P. MORAN

Mr. Chairman: I want to express my appreciation for your hosting this series of hearings and for inviting me to participate. This is a deeply important hearing and an important issue.

As we see in the papers and as this committee heard yesterday, the Washington Metropolitan Region is undergoing a major employment boom. It has been estimated that the high technology sector in Northern Virginia and the region as a whole currently has 40,000 unfilled positions. Retail stores faced critical labor shortages throughout the Christmas season and continue to have a number of job vacancies. In last Sunday's edition of the Washington Post, the employment section was equal to the rest of the paper combined. Our area is blessed with extremely low unemployment and is actually confronted with a situation where there are problems with worker shortages.

These are good times, disparities exist. Not everyone in the region is able to enjoy this low unemployment. Despite the strength of our region's economy, unemployment in the District of Columbia remains high and there are large numbers of unemployed, underemployed and unemployable residents.

Part of that problem rests with the poor quality of education that District children receive. Just last week, the results of a recent standardized test were published in the Washington Post. These results were truly frightening. They showed that an overwhelming majority of DC High School students failed to demonstrate even a basic proficiency in Math and Reading ability. In two high schools, 100% of the students failed to meet the basic proficiency standards. A much larger number of the high schools had more than 90% of the students fail to meet the proficiency standards.

This is why DC public school graduates have difficulties finding jobs and establishing themselves in the regions workforce. There may be 40,000 unfilled high technology jobs, but no one will hire a student who cannot demonstrate a basic proficiency in math. There may be thousands of available retail jobs, but none of them will go to a student who cannot make change.

Not every student will be an expert in Advanced Calculus and not every American uses their geometry lessons in their day-to-day lives. But every American and every employee must have a basic proficiency in math to succeed. Whether it is counting votes on the floor of the House of Representatives or making change at Pentagon City or programing Computers in the Dulles Corridor, every employee in this region uses the skills learned in their math classes on a daily basis.

Reports highlighting the failure of the District's public schools have become so common that they are barely newsworthy. We have become numb to the shocking reports of inadequacy. Each time a report is published, the DC Public Schools announces that the failure was a result of prior policy that has since been changed and the next report will show rapid improvement. But the improvement never comes. With each passing year, more students either graduate or drop out of the District's school system without the basic skills necessary to become contributing members of our society.

This must change and it must change now. We are all confident of Mr. Becton's ability to reform the DC public schools, but we need to see results and we need to begin providing the quality education that every American has the right to expect. Of all the management reforms and 'transformations' being proposed for the District of Columbia, this is the most important. Unless the schools properly educate DC residents and begin to provide quality educations, the District will continue to suffer middle class flight. It will continue to struggle with disproportionately high crime rates and it will never become the city it once was and the city it can be.

News accounts of yesterday's hearing report that these hearings are little more than an effort to develop support for a regional commuter tax; one that would have a portion of its proceeds dedicated for the DC public schools and another portion dedicated towards regional worker training. While I agree that increased investment in the District's schools is necessary, I do not believe this proposal will benefit the District. The City is not suffering from a lack of funds and the District's schools are not poor. Study after study have shown that the District spends the most money, per pupil, of any school district in the country.

The problem is management. There must be better management in the City government and there must be better management in the DC Public Schools. Without better management, it does not matter how much money you spend or whether the money comes from federal appropriations or a commuter tax.

The commuter tax is an excuse. It enables the District to hide it flaws and its unwillingness to reform behind another chimerical ruse. Too often, city leaders claim that all of the District's ills will be eliminated if the District only had the ability to tax its commuters. This is simply not true and will never be true. The commuter tax will never pass Congress and should never pass Congress. This is not only because of parochial interests, but also because the commuter tax is bad policy.

Rather than revive this dead idea and give the District another excuse for not implementing the reforms that must be made, we should focus on the problems with the District schools and the specific efforts that will be undertaken to correct them.

Thank you again for hosting this hearing Mr. Chairman. I look forward to the testimony of our witnesses.

PREPARED STATEMENT OF JAMES M. JEFFORDS

Welcome to day three of our hearings on education and workforce development in the Washington, DC area. The first day we heard eloquent testimony about the enormous economic potential of this region. Yesterday, we focused on the DC schools and the education needs that must be addressed in order for the full economic potential of the DC metropolitan are to be realized.

Today, we will hear from experts who will lay out before us various options for the implementation of effective workforce development strategies. In particular, it is my hope that today's witnesses will describe strategies for improving education for all of the students in the area and illustrate the essential tie between education and the workplace. I am especially looking forward to discussing with our panelists possible opportunities for public and private proposals that will establish a successful workforce development system for the Potomac region.

Two years ago, Congress passed the District of Columbia School Reform Plan. This effort was intended to serve as a blueprint for a comprehensive educational and training initiative. A few key elements of the reform plan are the elimination of social promotion, enhanced professional development opportuities—particularly leadership-development projects for principals- and the establishment of formal partnerships between businesses and schools. Those of us who designed the plan envisioned that these *business-school partnerships* would enhance access to state-of-the art technology, establish a regional job training and employment center, and assist students in the DC schools in developing individual career plans. I am keen to learn how each of these elements are fitting into the District's educational reform effort.

A strong workforce is perhaps the most essential element of a thriving economy. The heart of our future workforce is our children, and they are everyone's responsibility, whether they live in Vermont, Virginia, Maryland, or the District of Columbia. With learning, partnership, and commitment, we will guarantee that everybody wins!

PREPARED STATEMENT OF GEOFFREY JONES

Thomas Jefferson High School for Science and Technology (TJHSST) is a public school offering a comprehensive program emphasizing the sciences, mathematics, and technology. The school was created through partnerships between business and industry and the governing bodies of the Commonwealth of Virginia and Northern Virginia. TJHSST is expected to be a part of creating a high-tech community in the commonwealth that will provide a strong economic future for its citizens. As a Governor's Regional School, students from several school jurisdictions are admitted on the basis of aptitude and interest in the biological, chemical, physical, mathematical, and computer sciences.

TJHSST functions as a laboratory school preparing students to enter the Twenty-first Century with a global perspective of science, the humanities, and technology which will help people see that the quality of decisions in which they participate is irrevocably tied to the process by which their work is defined. Academic and co-curricular programs stimulate intellectual curiosity, creativity, and risk-taking with the goal of encouraging independence in learning, confidence in abilities, and social and ethical responsibility for the use of knowledge. Students and staff are challenged to develop their own processes for learning and for using information as part of an ethical, cooperative network.

Working with a belief that science and technology are processes or ways of thinking and acting that blend human functions and needs with knowledge, tool use and skills, TJHSST has a fourfold charge:

- To offer programs that promote enthusiasm, exploration, and academic excellence in an evolving economic and scientific/technological community.
- To serve as a laboratory school examining and developing new methods and materials in curriculum innovation/reform.
- To foster a broad exchange of ideas and programming through outreach in teacher training, enrichment for students K–12, and networking.
- To serve as a model for private sector/public education partnerships.

Representatives from business and industry and staff of the Fairfax County Public Schools work together in curriculum and facilities development for the school. Many in the local business community provide support for the school and technical assistance to faculty. Specialized technology laboratories, including a high-speed computational science center, are designed to integrate with the academic curriculum as well as to provide students with learning experiences in prevocational technological environments, opportunities for independent research and experimentation, and interaction with professionals from the scientific, engineering, technological, and industrial communities. The technology laboratories are: Aerospace Sciences; Chemical Analysis; Computer Systems; Energy Systems; Engineering Graphics; Geosciences; Industrial Automation; Life Sciences and Biotechnology; Prototyping and Engineering Materials; Microelectronics; Optics and Modern Physics; Telecommunications; and Television Production Studio.

In addition to working in the technology laboratories, students have the option of exploring vocations by becoming involved in a mentorship program. One out of every five seniors and many juniors are matched with a mentor in the private sector or government. The Mentorship Program is designed to prepare students with an enhanced appreciation for the role of science and technology in the workplace. Mentorship promotes the traits of academic excellence, leadership, enthusiasm, and exploration in science and technology and supports the goals of:

- Involvement in the experience of scientific and engineering research, and project development.
- Cooperation and collaboration between TJHSST and the business, scientific, and academic, communities.
- Provisions of opportunities for students to explore and be challenged in more than one discipline.

Integration of diverse skills and abilities to synthesize new ideas and processes to solve problems.

- Development of social and ethical responsibility for the use of scientific and technical knowledge.
- Reinforcement of visual, verbal, and written communications, and interpersonal skills.
- Development of the whole individual by fostering intellectual and social growth in an atmosphere of mutual trust and respect.

Mentorship students are often involved in professional-level research and design, exploring topics and seeking solutions to problems that have not been previously examined. Accordingly, the students develop and refine research techniques, critical thinking skills, and problem-solving tools that can be applied throughout their academic and professional careers.

Students are excused for part of the school day in order to work at least 180 hours per semester at their mentorship locations. They are monitored in their fields of interest by TJHSST technology laboratory teachers and the mentorship coordinator. Students maintain weekly logs, write detailed papers, prepare poster displays, and give oral presentations. Many projects have been entered in Westinghouse and various science fair competitions. Students have also served as authors and co-authors on papers completed as part of their research projects.

Students have been sponsored at approximately one hundred sites by organizations including public and private sector businesses and industries, government and university research laboratories, and national museums.

Our partnerships with the private sector and the various government agencies we work with have led us to focus on five interrelated goals leading to preparation for vocation. They may be familiar to some because they are similar to goals reported in the 1991 report *What Work Requires of Schools: A SCANS Report for America 2000*, the Secretary's Commission on Achieving Necessary Skills, U.S. Labor Department. Our goals include:

- Learning to communicate effectively and efficiently in writing, in conversation, in presentation, electronically, visually, and graphically. The foundation of all vocation is communication.
- Working collaboratively and cooperatively as a member and/or leader of teams of people who bring diverse strengths and skills. Whether employee, employer, or self-employed, all people must work well with others.
- Develping an understanding for systems and learning to think and act in ways that recognize the importance of the relationships between various units and tasks. Work is not accomplished in isolation or independently of a set of wider purposes and goals.
- Gaining experience in enterprise management that builds understanding of work flow in a variety of applications. Work is done in stages and the importance of each stage is directly to purpose. Problem finding is sometimes more important than problem solving. Producing a marketable product often drives all other stages. Knowing systems and developing insights and instincts in enterprise management improves performance.
- Learning to manage change. Vocational tasks and roles change and most people will change vocations several times during their life. Vocations in the future will be increasingly technological and will demand even more rapid and complex change. Change, however, is largely dependent upon how people and communities manage growth professionally, ethically, and collaboratively. TJHSST focuses on the development of people skills.

Each of the above goals requires sound mastery of knowledge and content common to school curricula for centuries, but also demands a restructuring of the methods and materials of schooling. Using an integrated or systems approach to science and technology education, the TJHSST curriculum is built on the belief that students need to learn how to synthesize, integrate, and manage their coursework through practice. integrating curriculum requires a cross-disciplinary approach in which students and teachers work in teams with varied technologies and expertise to define and solve problems that highlight and reinforce universal processes and principles. Students learn how systems are designed, constructed, supported, evaluated, and improved. Their understanding is reinforced through hands-on experimentation in systems design and development, and through exposure to the methods of business and industry. A principle strength of the program is cooperation and open communication among students, faculty, and business partners.

In the freshman year we require participation in a three-period course of study which combines the separate disciplines of English and Biology with an exploration of technology, design, and computer applications. The students receive a strong grounding in the basics of the fields of study, but the teachers use time and application to identify and reinforce common goals and restructure the curriculum to develop the process of vocational training and exploration. The language arts are expanded to serve as the foundation for the transmission of content and understanding in the other disciplines. The study of appropriate mathematics is an integral part of the work in both design and analysis required in the community-based fieldwork and research of the program. Each of our teacher teams is affiliated with a group of professionals in research and management of agriculture, parklands, and local ecosystems. Students work in the field with their teachers and the private and public sector partners on problems and projects important to the sponsoring agency. The technologies the students become familiar with help them to use their studies to think about problems and projects more broadly and to formulate effective solutions. The flexible use of time gained through team teaching supports expanded prevocational opportunities and extended partnerships. Some of our teacher teams have been working with the same community-based professionals for over six years.

This model of cross-disciplinary team-teaching and integration of curricula is extended through other levels of the program at TJHSST. A restructured and extended school day supports collaboration and innovation. The mentorship program further connects the school and students to the community and future employers. The required senior Geoscience course is intensively computer-based. Students learn to use image processing software, geospatial information systems software, probeware and other remote date collection systems, and global positioning systems tools to partner with neighborhood civic associations, the Fairfax County Government, and private contractors to reverse the pollution of the nearby Lake Barcroft reservoir. Each of these technologies and the problem itself mirror the work of many future careers.

The business community provides direct contributions to our programs in many different ways. Our staff are helped to keep current on emerging technologies and applications through sponsored attendance at professional conferences and through access to the "white papers" of industry and government. The business community provides the political support to open doors to ideas and resources. Those resources may be cash or material and they may be regularly given or one time only, but thy are well matched to need. The most important private sector contribution is time and training.

Staff development at TJHSST has many of the characteristics of the educational program we are building. The underlying premise is that people learn from others, ideas come from people and are generated through collaboration and cooperation. The first step toward a good staff development program is to provide teachers with the opportunity to work with new ideas with their students. They need the flexibility and control to be able to experiment in their classrooms. Many of our courses meet in two-or three-period blocks directed by an interdisciplinary team of teachers. We often pilot new units of instruction in enrichment programs offered as outreach through summer school or in special Saturday classes. The revenues from the enrichment programs increase faculty compensation and permit us to purchase additional materials and equipment.

Planning time, both during the day and in the summer, provides support for teachers to reflect, analyze, consult and create. The most productive planning time is spent with others, rather than in isolation at home. Some good thinking and planning takes place in informal or even social gatherings, but structured time is essential. We meet in a variety of small groups that reflect the integrated design and delivery of our program. Sometimes teachers meet by discipline, sometimes by team, sometimes by department, and sometimes as a larger "whole" group. The key seems to be frequent meetings with many different people. The focus is on sharing information and ideas.

The idea pool is expanded when our teachers meet with colleagues in professional associations, conduct or attend workshops, or write for and read publications and grants. Many of these opportunities are created by the teachers, themselves. We provide administrative leave and some substitute and summer time, but there are numerous occasions when individual teachers or a team will cover for a colleague so that a teacher can attend a workshop or conference. Reciprocity takes the form of information shared broadly. Our teachers are supported in pursuing in service opportunities through some local school money and fundraising. The parent Teacher Student Association and our local business people are enthusiastic partners.

We host many of the workshops and in service programs in order to bring as many people as we can into our building and to maximize contact. Over 250 teachers are enrolled annually in evening and summer classes offered by our faculty. We openly welcome visitors and guest participants in all of our classes. At times, it seems the building is never closed, but we are proud to have over 2000 educators participating in some aspect of our program each year. We benefit from each contact and we have built a network that is invaluable in the richness of support and ideas it offers.

We share the national goal of making "the United States more competitive in the world economy by developing more fully the academic and occupations skills of all segments of the population." We directly serve some of the most talented young people our country may produce and we immerse them in experience and understanding in vocation. We serve a much broader range of young people through a variety of outreach programs, both nationally and internationally. Our school models programs specifically designed to "enhance the academic and vocational competencies required by a technologically advanced society." Skill standards have been established and they are directly matched to the needs and efforts of the employers in our geographic area. We have developed partnerships that optimize private and public sector funding in support of education. The mission of the school focuses on preparing students for a broad range of occupations and careers.

STUDENT ACHIEVEMENT STANDARDS: WHERE ARE WE? WHERE SHOULD WE BE GOING?

BY MARC TUCKER AND JUDY CODDING

Almost every state either has standards or is producing them. Which might lead the casual observer to decide that the move to use standards to greatly improve student performance in this country is nearly complete. That is hardly the case.

What the states have produced are content standards—statements about what students should know and be able to do. As we will show in a moment, most of these are deeply flawed. But the main problem is that if they were not, they would be very hard to use for any practical purposes anyway, because they are not performance standards. Performance standards enable teachers, students and parents to judge whether a particular piece of student work actually meets the standard. Doing that requires standards with three parts—a succinct description of what students must know and be able to do (that's the content standard), samples of student work to create a vivid image of what kind of work meets the standards, and commentaries on those work samples that explain the features that raise them to the standards. Including examples of student work is the key to making the standards usable by teachers, children and parents. Any student should be able to look at a performance standard and say, "I understand now. I can learn how to do that."

But even the content standards the states have produced are, in the main, sadly lacking. Many are full of language that is very vague, referring to things that cannot be assessed (like love of literature). Others are stuffed so full of the wish lists of experts and teachers that no one could teach a course based on them in the time available. On one hand, experts called on from each field to write standards try to cram them with everything encompassed by the discipline. The teachers on these panels want whatever they teach in their own classroom to be in the standards. Since there is usually no one on these panels with the power to ensure that the standards in each grade can be fit into a year's worth of teaching, everything but the kitchen sink goes in.

Or ideology takes over, as recently happened in California, where a politically driven state board narrowed the whole math curriculum to little more than the mastery of math facts and algorithms. What they decided to leave out of their standards was any need for students to understand the concepts that underlie the facts and formulas, or to use the algorithms they master to solve problems of the kind they will encounter in real life. Such standards are literally worse than useless because they will drive out good teaching.

Unfortunately, few states have standards that are internationally benchmarked, describe a curriculum that can actually be taught, are coherent, include an emphasis on conceptual understanding and applications as well as basic knowledge and skills, and incorporate examples of student work that exemplify the standard.

But, even if the standards werejust fine, that would be only the beginning of what needs to be done to build a standards-based education system. At their summit last year, the nation's governors took an important step by adding student assessment and accountability to the standards dialogue. But few states have assessments that match their standards, and most districts are using assessments that are utterly at variance with their state's standards. What gets measured, as they say, is what gets done, so what gets paid attention to in the schools is not the standards but the tests that are in use. Might as well not have standards.

When good standards and assessments are in place, the crying need will be for curriculum materials that are matched to the standards. Everywhere we go, the districts and schools that are using the New Standards™ performance standards and assessments our organization has developed say, "But how do we get our students to the standards?" They are discovering that the curriculum materials that are available cannot be assembled into a coherent, logically sequenced curriculum that fits any well designed set of standards, for all the reasons made clear by the analysis in the Third International Mathematics and Science Study. But that is not the only curriculum problem. Before, we simply dismissed the low-performing students as low-ability students and gave them pabulum for a curriculum. Now, if we are serious, we must get students who are several grade levels below where they should be up to grade level quickly. There is very little in the way of curriculum materials designed to do that and do it well.

As we see it, the new curriculum materials will have to be very different from what is now available. The material for each year of work will have to concentrate on a few key topics, each treated in-depth. Much more attention will have to be paid to helping students grasp the conceptual underpinning of the material they study, and the curriculum will have to do a much better job of helping students apply what

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they have learned to real world, complex problems without sacrificing any of the strength of the core disciplines. But the touchstone of the new curriculum materials will be careful attention to the constant production by the students of work that meets the standards for that subject and grade level.

So we need a whole new instructional system for standards-based education. But that is not all. Students are not likely to do the hard work required to get them to the standards unless we adults give them a reason for doing so.

We can accomplish this by shifting the benchmark at the end of schooling from a high school diploma based on time in the seat to a "certificate of initial mastery." The Certificate would be based on standards of achievement in the core subjects benchmarked to what is expected of 16-year-olds in countries with the highest performance. Most American students should earn the Certificate when they are 16; others will take longer. But all will be expected to reach the CIM standard before they leave high school. The reason that students will work hard to reach this standard is simple—most colleges and employers will require one as the price of admission or employment. It will signify a student that needs no mediation to go to college, a student that has what it takes to do the reading and math to succeed in his or her first job. And because that is true, almost every student will work hard to get the Certificate.

The Certificate idea lies at the very core of the idea of standards-based education. It sets the standard for both the students and the schools. All but the most severely handicapped students will be expected to earn the Certificate, and schools and school districts will be held accountable for making sure that they do.

The Certificate idea will lead to fundamental changes in the structure of our system of schooling. First, and foremost, it should lead to the demise of the comprehensive high school. The comprehensive high school was born of the idea that only some students could learn and something had to be done for the others. So we had science classes without science, math classes without math and vocational classes in technologies long since extinct.

The high school should be about academic excellence for all. Period. The first job of the high school should be to get all of its students to the CIM standard. Once they get the CIM, those students who would prefer to begin a professional and technical program leading to an employer-approved occupational skill certificate should be able to go to a technical college, community college or another institution offering such a program, most of which would culminate in a two-year college degree. The others should either be able to go right to a non-selective college if they wish, or stay in high school. Those that stay in high school would be there for one reason, to enroll in an upper-division program of study designed either to prepare the student for the examinations required by selective four-year colleges or to take courses that will result in credit for introductory college-level courses, or both. Thus the high school could offer the International Baccalaureate program, a coherent set of Advanced Placement Courses, or the state equivalents of these programs that are now beginning to emerge. In this system, the high school would be about academics and only academics.

Another system, leading to national occupational skill certificates and two-year college degrees, would be available for very high quality vocational education, which would be designed to lead to a four-year college program if that is what the student wants. Which has to happen, because fewer and fewer high schools can afford the specialized faculty and equipment that first-class vocational education now requires. That faculty and equipment is in the technical and community colleges and that is where the students should be.

Everyone would be qualified to go to college without mediation. It would spell the end of the American tracking system. And the end of the American high school as we know it. These are, as we see it, the inevitable consequences of setting a high standard and making sure that everyone reaches it.

But how on earth will the students ever get there? The answer is iron determination on the part of policymakers and professional educators. We will illustrate the point with some stories about reading and math. The first story begins right at the beginning of the student's career in school. The research on reading appears to show that a student who has not mastered the basics of reading by the end of first grade will never read as well as students who do, no matter what subsequent instruction they receive. In fact, students who do not master the basic phonemic structure of the language they are using by the end of first grade are in real trouble.

Reading, as we all know, is the key to virtually every other subject in the curriculum. So what should we do? We think part of the answer is for every elementary school in the country whose students are not reading at grade level to make sure that class sizes in grades K–2 do not exceed one teacher for every 12 students, irrespective of what that does to the student-teacher ratio in the upper grades. Why?

Because the job of the teachers in the upper grades is infinitely harder if their students do not read well.

But this hardly solves the problem. All over the United States, children are performing below what would be grade level in subject after subject if internationally benchmarked standards were in place. Fixing the reading problem in the early grades would help, but it would not solve this problem. Nor, by itself, would the new curriculum we described above. The single most important resource, if we are serious about getting virtually all students up to standards, is time—time after school, time on Saturday mornings, time during the summer—for students who are behind to catch up. Inevitably, this use of time will conflict with other priorities, like interscholastic sports and summer vacations and after-school jobs, and it will take strong policy measures and equally strong school administrators to hold the fort for what is right.

Other changes will have to be made in the way schools are designed. The United States should long ago have borrowed an idea from the Northern European countries that makes a big difference and costs nothing to implement—the idea of the class teacher. This is a teacher who is assigned to a class and then stays with that class as it moves through the grades, for anywhere from three years to nine years. Teachers who function this way make it their business to get to know both the students and their parents very well. The bonds that result, especially between parents and teachers, work wonders. Teachers, knowing that they will not pass a student on to another teacher next year, do what they have to do to make sure that student is ready for next year. It is easier to do that, because the teacher does not have to worry that the student will face a teacher with another philosophy and method next year. Students know that there is at least one teacher who knows them really well and cares about whether they succeed or fail, will help get them out of scrapes and be their advocate when one is needed.

In the elementary grades, the needed corollary to the class teacher is the specialist. We are now expecting what is unreasonable—that the elementary teacher will be expert as a teacher of reading, writing, speaking, mathematics and science. A few are; most cannot be. With the class teacher there to provide continuity and caring (as well as teach English and probably social studies as well) the elementary schools would be much more effective with specialists in math and science, at a minimum.

Realistically, schools and districts are not likely to make the very difficult choices needed to get virtually all students to standards unless strong new incentives are in place. But only one state and a handful of districts that we know of have instituted a system of tough incentives for schools to improve their performance against clear standards year after year, with tough consequences for those who do not, including lose their jobs. Standards-based education will not work unless there are strong incentives for educators to improve student performance against the standards and real consequences when they fail to do so.

But incentives won't accomplish much until school faculties get the room they need to exercise their professional judgment to accomplish the work. Central offices and school boards must find ways to set goals, measure results, and provide important support. They must give up trying to manage the affairs of each campus. The professional staff of each school should have the power to decide how at least 65 percent of their prorated share of the entire district budget is spent. Again, only one state we know of has given school faculties real control over their budgets.

Putting a real, tough system of standards-based education in place will require states and districts to make tough choices that only a few have shown themselves ready to make thus far. But nothing short of that is likely to bring all but the most severely handicapped to standards that match the highest in the world.

Building a Strong Accountability System: The Essentials

By Marc Tucker and Judy Codding

How do I build an effective accountability system for my district or state? Rather than answer that question in the abstract, we will instead ask you to imagine a school district ranging in size from, say, 25 thousand students up to the megasize—250,000 or more—and imagine that the following steps are taken in that district. Many variations on this scheme are both possible and advisable, depending on the opportunities and constraints in any particular location.

1. *Choose the student performance standards you will use.* We use the New Standards™ performance standards, but your state may have its own standards. In any case, we would urge you, if possible, to use internationally benchmarked achievement standards in what you regard as the core subjects in the curriculum. The standards should make it very clear what kinds of student work will meet the

standards, should not require that more be taught in the available time than can be taught, should represent both expert judgment and the common sense judgment of various publics, should provide clear guidance to teachers as to what they should teach and clear guidance to students as to what they need to know and be able to do, and should be oriented to what performances students should be able to demonstrate that would convince ordinary Americans that they will be well prepared for life as a parent, citizen and worker. The standards you use will drive every other element of the accountability system. So you must be sure that they have wide support among the relevant constituencies.

2. *Choose the indicators that will be used to drive the incentive system and the measures of progress you will use.* We would choose:

- Measures of student performance against the standards
- Dropout rates
- Retention rates

Customer satisfaction (as measured by periodic surveys of the satisfaction of parents, students, teachers, other faculty, the general community, employers, higher education admissions officers, etc.)

Keep your list short, preferably as short as this list.

3. *Develop incentive systems (systems of rewards and consequences) that will motivate students to reach the student performance standards*

- Develop a system for awarding a certificate to every student who meets the standard you've established for student performance in the core subjects in the curriculum. Organize key employers and colleges in your are behind this idea and help them to communicate to your students that they will give preference in hiring and admissions to graduates who have earned this certificate.

4. Develop incentive systems (systems of rewards and consequences) for school faculty and other district employees that will reward those who contribute to improved student performance and provide consequences for those who fail to do so. The key elements in such a system are:

—Engaging a highly qualified probation manager for each school

—Requiring that the staffing plans, hiring, budget and program plan of a school on academic probation be approved by the probation manager

—Authorizing the probation manager to recommend that expedited dismissal of any member of the staff of a school on probation, subject to the requirements of law and regulation

—Requiring every school on academic probation to select an approved external technical assistance provider or school reform network to affiliate with and to use the assistance that organization or network provides

—Authorizing the probation managers to recommend the reconstitution of any school on academic probation. Any staff member of a school on probation that has been recommended and approved for reconstitution would lose his or her job unless that staff member is offered another job in the district by another school.

Create a reward system for the schools that are contributing to substantial year-to-year improvements in the performance of the whole student body. Several such systems have been designed. The key common features of such plans that we would recommend include the following:

—The rewards go not to individual faculty members, but to the whole faculty and are based on the performance of the whole student body (with safeguards, so that a faculty cannot get the rewards by concentrating its attention on a small segment of the student body at the expense of the other students)

—The rewards are based on the progress that the school makes against its earlier performance, rather than on reaching a fixed target that is the same for all schools (if the rewards depended on reaching a fixed target, only the schools with the most advantaged student bodies would receive the rewards)

—The rewards can be added to the school budget or distributed as a case bonus to the faculty and staff of the school, a decision to be made by the faculty and staff.

—The formula setting the targets for the release of reward funds is calibrated so that a smaller gain in each successive year will trigger the rewards, and so that the cumulative gains over a fixed and common period of years will bring all schools up to the desired standard (e.g., 95 percent of the student body meeting the standard) by a date certain.

—The formula setting the targets is designed so that schools are not able to improve their chances of reaching the targets by forcing poor-performing students to leave the school or by not counting them in the student performance data (which is why dropout and persistence data must be included in the key indicators).

—The formula setting the targets, while heavily weighted toward student performance indicator data, also includes some weighting for the school's customer satisfaction data (parents and, at the secondary level, students).

- Create a reward system for district support staff that is designed to reward responsiveness to school needs as the schools see those needs. What we have in mind is:

—Calculating what proportion of the total district budget is accounted for by services that go from the district level to the schools and putting that money in the school's discretionary budget, to be spent either on the central services or services purchased from others, at the discretion of the schools. This system will provide a powerful incentive for district level support units to provide competitive services at a competitive cost or to go out of business.

- Create a feature in the compensation system for all district staff that will reward performance.

—From the superintendent on down, annual increments in salary, or bonuses, or both, should be related to the gains in student performance and to measures of customer satisfaction,at the appropriate levels (meaning that a principal's salary, for example, should be related to the performance of the students in his or her school and to the satisfaction expressed by parents, students (at the secondary level), the teachers and other staff in the school. Here again, gains in student performance should be weighted most heavily in the formula.

5. Create a resource allocation system that will align control over resources with accountability for results.

- Because this plan assumes that direct accountability for improving student achievement rests with the principal and the staff of the school, it follows that control over the resources needed to do that job should also rest with the staff of the school. Thus, not less than 85 percent of the total resources available to the district should be distributed to the schools for expenditure at their discretion, along with substantial discretion over the staffing structure for the school, who is hired to join the school's staff, what outside services are contracted for, and with whom.
- The primary principle to be used to distribute the funds to the schools should be that the funds should depend on the makeup of the student body. That is, the district should assign, as a matter of policy, weights to students with different characteristics (i.e., students who are severely handicapped would get a different weight in the distribution formula than students who have limited English-speaking ability) and, using this differential weighting, award a budget total to the school based on numbers of students of each weight assigned to the school. Such a formula should be designed to take into account the differential cost associated with educating students of each set of characteristics.
- Support services offices in the central office would receive their funds from two sources. To the extent that such offices supplied services to other central office units, funds for those services would be included in the annual budget. To the extent that the services provided were intended for the schools, the funds to pay for those services would be recovered from the schools, as the schools decided to purchase those services from the central office service units.

6. Create an organizational structure for accountability in which everyone knows what he or she is responsible for and responsibilities are distributed in a way that corresponds to accountabilities.

- Make sure that each person in the organization reports to one and only one person. Define the "line" as running from the principal to the superintendent. This will make the "line" very short and the number of people in it very small. Make it clear that only people in the line are authorized to say 'no' to people below them in the line.
- Make it clear what units in "central" have line functions, staff functions and support functions. Reduce the number of people in the superintendent's cabinet to no more than six, and make sure that the majority of them are line supervisors of schools. Group all the officers responsible for staff and support functions under the remaining cabinet members.
- Bring all "special" resources (e.g., teachers of students with special needs, Title I teachers, and so on) under the control of the principal to the maximum extent permitted by law, and allow the principals to use the dollars represented by those resources as flexibly as the law allows, while holding the principals accountable for the outcomes mandated by the laws under which these funds are provided to the schools.

A system of this kind can be readily adapted to fit the needs of smaller districts, whole states in relation to school districts, and whole states in relation to their charter schools. The principles remain constant, but the details of their implementation will change.

At the core of accountability plans such as this is a fundamental shift in the incentives that operate on all the people involved, a shift toward rewarding anything that results in improved student achievement.

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